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BUSINESS

Gilts up

Sterling

off 1.35c

0.52;

GENERAL Muskie will **Succeed**

Vance U.S. President Jimmy Carter chosen Senator Edmund Muskie to replace Cyrus Vance as Secretary of State.

The move came amid growing Back and Page 28 tension in the Gulf following an assassination attempt in Kuwait on Iran's Foreign Minister Sadoq Qotbzadeh. He escaped unhurt.

heightened Tension was when Iran claimed that one of its aircraft was fired on during an encounter with two fighters from the U.S. naval task force. Washington denied there was any firing, and said the Iranian aircraft involved was a C-130 Hercules transport, which was intercepted by two F-14 jets near the U.S. carrier Nimitz Page 4: Congress begins inquest, Page 3: Parliament, Page 8

Hitchcock dies

suspense, whose 60 films included "Psycho" and "Spellhound." died in Los Angeles, Liberia pledge

Liberia's military leader

Samuel Doe promised no more executions of officials of President William Tolbert's ousted

£2m gems haul More than £2m of jewellery has been recovered by police in

raids in north London. Peach jury visit

spot where he fell after an Southall riots.

Laker go-ahead Laker Airways chairman Sir rejected

Water rate probe

Steep rise in water rates has

Forces' pay rise

Pay rises of between 14.5 and 20 per cent for members of the armed torces have been accepted by the Govrenment, A private will earn £5,011, a rise of acout 15 per cent. Page 7

Print admission

craftsmen were still working in • TWO RAIL unions, NUR and ats company despite the federation's call for a national lockout.

Airmen killed

Two airmen died when their American F-111 fighter-bomber crashed between Bournemouth and Blandford Forum A second

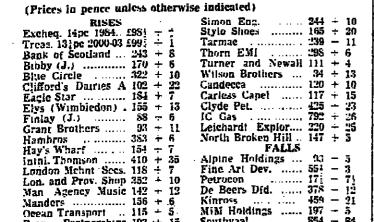
Briefly . . . hitchinker harged with murdering British publisher Rudolf-Hans "John"

Prop. Partnerships 193 + 15 Roberts Adlard 128 + 6

The Financial Times regrets the inconvenience caused to readers yesterday when as a result of industrial action by certain employees who are members of the National Graphical Association, it was not possible to publish the newspaper in London. A summary of UK and International Company News which would have appeared in yesterday's issue is on pages

We also apologise for errors contained in this issue which are due to difficulties in the reading department.

CHIEF PRICE CHANGES YESTERDAY



Southvaal

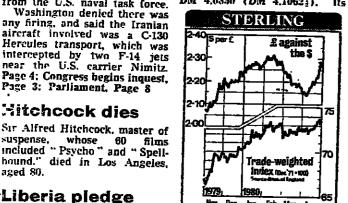
Western Areas ...

BY RICHARD EVANS, LOBBY EDITOR

 GILTS rose on hopes of a Minimum Lending Rate cut in the summer. Longs gained up to a point, shorts up to i, and the Government Securities index closed 0.52 higher at 66.74.

• EQUITIES followed gilts strongth, and the FT 30-share index closed 4.6 up at 436.7. Page 28

• STERLING fell against the dollar and European currencies, closing at \$2,27, down 1.35c, and DM 4.0850 (DM 4.10621). Its



trade-weighted index slipped to 73.2 (73.7). DOLLAR opened weak, but rallied to DM 1.7980 (DM 1.7985), and its index was get (186.5). 86.6 (86.7). Page 25

- GOLD closed \$7 lower in London at \$518.5. Page 25
- WALL STREET was up 5.80 \$11.26 near the close. Page
- Jury in the Blair Peach inquest in March to \$3.16bn (£1.39bn) at Hammersmith is to visit the from \$5.57bn in February.
- attack during last year's HUNT brothers face possible criminal charges for failing to attend a congressional hearing in connection with the collapse in silver prices. Back Page

Freedie Laker won the right to • CBI is likely to put strong fly the London (Gatwick)— pressure on the Government to Miami route. A bid by Air lower interest rates in the next few weeks, reflecting industria Civil Aviation Authority, Page 7 lists' growing concern about Back Page: Survey details, Page 6: Men and Matters, Page 16

led to a Monopolies and Mergers NORTH SEA gas pipeline neting costs and efficiency of the Severn-Trent Water Authority.

Page 7 this summer. Page 6

> • WIGGINS TEAPE is to close its Fort William pulp mill after abandoning joint venture plans with Consolidated-Bathurst of Canada to build a £100m newsprint plant. Back Page • MARPLES RIDGWAY, sub-

sidiary of the Bath and Portland Group, is pulling out of its British Printing Industries £105m Iran road project because Federation chairman Peter of payment difficulties. Back Medically admitted that print Page

> ASLEF, accepted a British Rail pay deal giving a single 20 per cent rise from next Monday. instead of in two stages.

COMPANIES

• TARMAC'S pre-tax profits for 1979 rose 43 per cent to £38.03m. jet returned safely to base in helped by strong performances in the quarrying, building and housing divisions. Page 18 and Lex. Back Page

was • BUNZL PULP and Paper second-half results were down but the first half rise left full-Calmann. year pre-tax profils £900,000
Former Coldstream Guards ahead at £13.66m. Page 18 officer Reverand Keith Arnold. • UNIGATE'S £10m bid for the Warwick.

Berkshire-based Clifford Datries Warwick.

Berkshire-based Clifford Datries was rejected. Page 19

PUBLISHER'S NOTICE

NEWS SUMMARY UK will halt all EEC business, Thatcher threatens

pean Community virtually to a standstill pending a satisfortory permanent settlement of Britain's EEC budget deficit.

The Government has adopted that tactic to force a solution at the Venice summit in June. It is putting maximum pressure on its EEC partners.

"There will be no agreement on major matters in the Community unless and until our own particular problem on the budget is settled," Mrs. Thatcher told MPs after the Commons had given widespread backing for her uncompromising stance

The warning is aimed specifically at President Giscard d'Estaing of France, who dethat he had no wish to see the issue of Britain's contributions on the agenda at Venice. The choice facing the French

and other members of the Community is to agree quickly on the budget or face the use of the veto by the UK on higher farm prices, a new sheepmeat regime and progress towards a common fisheries policy. Mrs. Thatcher's warning last

the Prime Minister, threatened drawn but it is considered yesterday to bring the Euro-counter-productive to issue further threats before the Venice summit on June 12 and

> The Prime Minister's belief is that, because of the signifi-cant movement by Britain and the other EEC governments at Luxembourg, there is now a much better prospect of finding

More summit news, Page 2 Parliament, Page 8
Editorial Comment and feature, Page 16

a formula that would combine amount and duration.

The key is the need for a permanent solution, not one clared after the complex that would last one or two negotiations at Luxemburg years and need to be renego-

In domestic political terms, it is essential for Mrs. Thatcher to secure an agreement that would hold until the next general election in order to neutralise the EEC as a political

after reflection, the French will have to accept the need for further discussion at Venice. month to suspend Britain's Their desire for agreement on valued-added tax payments to higher farm prices is felt to be the Community is being held in greater than Mrs. Thatcher's

MRS MARGARET THATCHER, abeyance. It has not been with- need for an early settlement. forceful tactics at Luxembourg seem to have taken the political pressure off her at Westminster. Widespread praise came not only from her own backbenchers but from Mr. Callaghan, Opposition Leader, for her de-

> Mr. Callaghan supported Mrs. Equally, strongly supported Mrs. Thatcher's decision not to give way on the freeze on agricultural products in surplus while the budget issue was under

> suitable in money terms but would not provide a long-term

discussion.

The Liberals grumbled that such brutal tactics might per-manently damage the unity of the Common Market and, in private, some Tory EEC sup-porters felt that it might have been wise to settle for the generous offer of a net contribu-tion of £325m in 1980 and

negotiate further later. But the consensus was that the Prime Minister was better placed to achieve a satisfactory solution after the Luxembourg negotiations than many MPs had thought possible after the abortive talks at Dublin last November. There were few

acqusations yesterday that she Continued on Back Page

First Pennsylvania Bank receives \$1.5bn aid

BY DAVID LASCELLES IN NEW YORK

THE U.S. Government and a 23rd largest bank in the says it will make funds availof its kind.

With measures announced on Monday to cure severe management problems at the second largest bank in Chicago, it breathed new confidence into the U.S. financial community, battered by tight markets and the multi-billion dollar silver debts of the Hunt oil family.

delphia was assembled, apparently at short notice by the Federal Deposit Insurance Coroporation, the Government gency which oversees banking industry security, with help of the Federal Reserve Board. Also involved are 22 banks led by Citibank of New York. It is Corporation's biggest

widespread speculation for some time that it would have to seek help.

The request for aid was made on Friday. The package was assembled over the weekend and armounced on Monday night. The bank made it clear that the reports of its difficulties had led the withdrawal of deposits. "Without these loans. The package for First First Pennsylavia's financial vability would have been delphia was assembled.

parts. First, there is a basic \$500m loan, of which the FDIC

The package comes in three

will provide \$525m and the 23 banks \$175m (including \$25m from other Philadelphia banks). Second, the banks will establish a Sion line of credit.

group of commercial banks country, with assets of about able to First Pennsylvania have put together a \$1.5bn \$9bn. It has been grappling through its discount window, (£600m) financial package to with enormous financial probthe facility whereby the central help a large Pennsylvanian bank lems caused by bad loans and bank makes funds available to out of trouble. The move is by ill-judged dealings in the the banking community by dis-one of the largest bank rescues bond market. There had been counting suitable securities. for The bank has already made use of this facility to the tune of \$700m

The FDIC loan will be interest free for one year, with interest at one and a quarter tims the FDIC investment portfolio vield for its remaining four years. The interest on the \$175m bank loan will be set periodically. according to rates on certificates of deposit.

In return, First Pennsylvania will issue pro-rata to the FDIC and assisting banks warrants to buy 20m shares at \$3 a share. The bank has also had to accept tough canditions imposed by the FDIC. These include the need for FDIC approval of dividends, corporate plans, and executive salaries.

First Chicago Bank's problems. Page 22

First Pennsylvania is the be backed by the Fed. which MacGregor accepts BSC job

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

MR. IAN MACGREGOR is Keith that a new crisis has numerous this week as the full-time chairman of the British Steel Corporation following a meeting in London yesterday morning with Sir Keith Joseph. Industry Secretary.

He will take over an industry which is expected to make a loss of at least £450m in this financial year, following a similar loss in the year to are being completed be March 31, and which is in announcement is made. urgent need of a new long-term plan to help it cope with current problems.
Sir Charles Villiers, who is

due to retire from the chair-

expected to be named later arisen in the industry as a interests. result of its three-month strike. loss of markets, inflation, and a world-wide decline in demand for steel.

Mr. MacGregor, 67, was clash of inter-offered the job officially by Sir chairmanship. Keith and is understood to have accepted. Details of his appointment and salary - the usuai rate is £48.500 a year -are being completed before an Mr. MacGregor, who was born

in Scotland but has lived and worked in the U.S. for more than 35 years, is the former head of AMAX (American Metal manship in September at the Climax), of which he is still age of 67, intends to advise Sir honoury chairman. He has

It is understood that the Government has agreed to his keeping some of his appointments which do not involve a clash of interest with the BSC

He is likely to become limited partner of Lazard Freres, the New York investment bank, of which he is a general partner. But he may have to give up other appointments, including

the non-executive deputy chair manship of BL, which he has held since 1977 and a directorship of Singer in the U.S. The Continued on Back Page Men and Matters, Page 16

CONTENTS

EEC Summit in Luxembourg: Mrs. Thatcher digs in her heels 16 Clouds over Silicon Valley: the U.S. semi-conductor industry 17 Algeria's Berbers: resisting Arabisa-

tion 4 U.S. politics: a voice of patience and diplomacy in a troubled world 3 Management: a marriage. Franco-Italian style-the Latin partner Gardening today: mice, bulbs and peacock flowers 14
Lombard: OPEC-proof bonds; some suggestions by Anthony Harris 14

Editorial comment: discord in Luxem-

bourg; industry in the front line ... 16

Survey: Switzerland Inset

Management Mon & Mathers ... Nedbank Group ... 24
ANNUAL STATEMENTS
Avera Holdings Intl. Compar

Clifford's Daines ... Dorada Holdwas ... Estatos & Gor. ... mbert Howarth For Intest Share Index phone 01:246 8026

assess **Summit** failure

By John Wyles in Brussels

EEC FOREIGN Ministers are expected to try to grapple next week with the tricky consequences of the failure of this week's Luxembourg Summit to settle the UK's budget demands. Community governments were beginning only yesterday to assess whether the statemate threatens to plunge the Community into a serious crisis or whether it is merely another milestone on the long road to cision to reject an offer that was

a final negotiated solution.
Reaction from many EEC capitals was understandably hostile. Prime Minister Margaret Thatcher's refusal to accept a obstantial £775m reduction in Britain's anticipated 1980 bud-get payments off.1.1bn. A West German official suggested the rman official suggested the Community was back to "square

In Paris President Giscard d'Estaing was reported to have promised militant French farmers a price rise of almost 10 per cent "as soon as circum-stances permit." This would be made up of a 5 per cent devaluation of the green franc, the EE Gfarm currency, which would have been obtained any-way, and possibly 5 per cent in place of the price rise which was not agreed in Luxembourg. Although the idea is contrary to Common Agricultural Policy rules, the French are hoping to achieve some sort of arrangement as a joint decision of eight of the nine EEC members.

The final offer in Luxembourg was supported by Chancellor Helmutt Schmidt of West Germany and President Giscard with varying enthusiasm from

the other six.
It proposed putting a £325m. m units of account) ceiling on Britain's net payments in 1980 and £490m in 1981. Mrs. Thatcher turned it down because she was not prepared to pay more than £395m in 1981. She also wanted a deal which ran a minimum of three years. The guid pro quos demanded

by others, particularly France, included a 5 per cent rise in farm prices, a settlement of the Anglo-French lamb row and a statement on fishing policy. All the other leaders were adamant after the summit that they issue at the EEC's next govern-ment leaders meeting in Venice. Sig Francesco Cossiga, the Italian Prime Minister, who

£ in New York

Apr. 28 spot \$2,2825-2640'\$2,2750-2780

Continued on Back Page

Ministers GE to buy Thorn-EMI scanner side

BY GUY DE JONQUIERES

U.S. almost all its loss-making scanner operations in a \$37.5m (£16.3m) deal.

This is the first move to rationalise EMTs far-flung activities, which include defence and industrial electronics, record production and leisure services, since it was taken over by Thorn last year.

The agreement is subject to approval by American and British authorities. It is expected to be scrutinised closely by the U.S. Justice Department on anti-trust grounds, since it will give GE a dominant share of the American scanner

market. EMI and G Ehave also agreed to settle out of court their legal battle over alleged infringement stood that the settlement will account for most of the sum paid to Thorn-EMI in the deal. The cash is not expected to cover more than part of the cost to Thorn-EMI of withdrawing from medical electronics. Mr. Peter Laister, managing director, said that the net cost would be "substantial". Some estimates put it as high as £30m.

In the two years to the end of last June, EMI's medical division lost £26m, mainly that losses since then have been through scanners. It is believed running at about £1.5m a month. EMI scanners, more than 1,000

of which have been sold world-

THORN-EMI, pioneer of the medical scanner, is to withdraw machines installed in hospitals from the medical electronics and clinics in the U.S. GE, field. It is to transfer to deneral Electric (GE) of the General Electric (GE) of the U.S. around for a country of the granters in use competitors, accounts for a quarter of the scanners in use

GE will take over EMI's GE will take over EMIS world-wide scanner servicing its non-U.S. marketing organisation and spare parts inventory. It will also acquire EMI's medical factory at Radlett, Hertfordshire, where it intends to continue manufacturing the CT 7020 slow-speed scanner and other medical electronic equipother medical electronic equip-

GE will not however, take over the EMI plant at North-brook, near Chicago, where the CT 7070 and CT 6000 high and medium-speed scanners sold in the U.S. have been manufac-tured. Thora-EMI plans to continue operations at Northbrook until current orders for about 80 scanners had been met or a suitable method of disposal

found. GE has developed a fast scanner of its own, similar to the CT 7070, and is understood to be envious to minimise its exposure to U.S. anti-trust challenges. It is expected to meet future U.S. demand for new and

• 🖓 😁

replacement scanners

Also excluded from the dealare ultra-sound products, which scan by a different technique. They are made in Edinburgh by Nuclear Enterprises, an EMI subsidiary. However, Thorn-EMI indicated that it was seeking to dispose of those activities

Lex, Back Page

Record loss for Ford

FORD MOTOR, suffering from alling car and truck sales in Ford in its earnings report is

manufacturer, following last were also lower in the UK. week's report of a sharp earnthe first three months of the year, roughly in line with analysts' recently revised pro-jections. Ford lost \$41m in the last quarter of 1979. Several analysts expect the company to

The fist quarter loss compared with profits of \$595m in the first quarter of 1979. Sales fell by 24 per cent to \$9.6bn in the

quarter just ended.

The most ominous sign for the U.S. market and weakening that sales have started to weaken profits abroad, has reported the significantly in key overseas largest quarterly loss in its markets. Sales were down by distory. almost 20 per cent in the The number two U.S. motor quarter, in West Germany. They

Overail profits outside North America fell in the period by 9.1 per cent to \$441m, the com-

pany said. Mr. Philip Caldwell, recently appointed Ford chairman, described the results as unsatisfactory. He repeated the commake a heavy loss — perhaps pany's forecast the its losses as much as \$400m — on the would be even heavier in the current quarter.

Chrysler awaits parts, Page 3 Volkswagen record profits, Page 23 Lex, Back Page

In 1969 two men walked the surface of the moon alone. It took thousands more to get them there.



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هكذا من التحل

Schmidt's compromise no longer on offer



BY ROBERT MAUTHNER IN PARIS

mentators are agreed on it is

that Mrs. Margaret Thatcher,

the British Prime Minister, is totally responsible for the

breakdown of the summit.
"Mrs. No" is how one daily
newspaper described her and

the sentiment is echoed in all

the other papers. Consternation

and bitterness at Mrs. Thatcher's

intransigence permeates all the articles on the Luxembourg

meeting which, according to

most commentators, has plunged the Community into one of the

most serious crises since its

Consternation, because Euro-

peans are once again deeply divided when the grave inter-

national situation cries out for

pared to repeat the compromise offer made by Chancellor Helmut Schmidt at the Luxemtribution to the European Community's budget.

It is understood that if the offer had been accepted it would have meant additional costs to West Germany this year of DM 1.25bn (£305m). This was double the sum the Bonn Cabinet had agreed was acceptable to obtain a compro-

Herr Schmidt was ready to defend the higher figure before the Cabinet on the grounds that

national tension.

But with rejection of the bourg summit to try to resolve offer "we are now going back the dispute over Britain's con- to square one," officials said. There was no point in laying new suggestions on the issue arguments had been thoroughly state secretaries could handle examined and the political and carefully

If the problem went any-

EEC at a time of growing inter- long felt that a solution to the British budget issue must either be political, in which case it was a matter for Herr Schmidt and other European leaders, or technical within the financial limits already defined before the Chancellor since the by the Cabinet, in which case

He is known to believe that there is even less scope for meeting Britain's demands than where it would be to the there was at the European Finance Minister, Herr Hans leaders meeting in Dublin.
Matthoefer, who seems bound to take a much less flexible line
Turkish aid package and the on the budget issue than Herr need for increased defence spending, Herr Matthoefer is According to the Finance today presenting a supplemen-

WEST GERMANY is not pre-needed to bring unity to the Ministry, Herr Matthoefer has tary budget of about DM 2bn to the Cabinet. That alone will mean suts in the budget share of several ministries even without a contribution towards solving Britain's EEC problem.

> It is recognised in Bonn that Britain has the power to block progress on other EEC matters for a long time. Rather than have this happen, Herr Schmidt is known to prefer that Britain should leave the Community, although he would see this as the lesser of two major evils. Following the failure to compromise in Luxembourg, it is felt that the first move towards a solution now lie firmly with

The Italian Government, which holds the presidency of the community until the end of June, is hopeful that the ministerial meetings of Bitter French lay blame for breakdown on 'Mrs. No' the Nine scheduled for the next week or two can bridge

her partners.

The Venice summit will then be able to put the final seal on an agreement, for which the Italian Government has isboured hard during its six-month tenure of the EEC Council presidency.

the gap between Britain and

Italy far

pessimistic'

By Rupert Cornwell in Rome

is refusing to dramatise the failure and hopes that final

agreement on the British EEC

budget can be reached before

the Venice summit in mid-

Sig. Emelio Colombo, the Foreign Minister, told a

parliamentar foreign affairs committee on Monday night,

that it would be a mistake to

be too pessimistic over the

THE ITALIAN Government

from

Nonetheless, there was no disguising the disappointment felt here that the efforts of Sig. Francesco Cossiga, the Prime Minister, to secure the hasis of an agreement had failed. His rapid tour of European capitals last week had left a widespread impression that a compromise could be reached

Luxembourg. But Sig. Colombo said he hoped that next week's meeting of foreign ministers of the Nine could resolve a difference which in absolute

Thatcher's stand eases pressure by Westminster MPs

BY RICHARD EVANS, LOBBY EDITOR

progress made towards a solution to Britain's budget difficulties has taken the political pressure off the Prime Minister

Her determination to achieve not only a satisfactory reduc-tion in Britain's net budget contribution of £1.1bn in the current financial year, but a permanent solution to the her relations with President breaking point and has antag-onised Chancellor Helmut Schmidt and other European

But at Westminster it was apparent that the Prime.
Minister has temporarily defused a political issue that had threatened to do great electoral damage to the Conservative

Failure to reach a settlement could still lead to a dangerous scramble before the next election to see whether the Conservative or Labour

mon Market issue out of tion that the issue could be kept domestic politics. That could off the agenda at Venice in June only benefit the Tories, for and could be shelved

Bonn 'must order' European fighter

MRS. THATCHER'S stubboth Labour is much more effectively stance at Lauxembourg and the entrenched as an anti-Market

The Labour party may commit itself to a policy of withdrawal against the advice of Mr. Callagat home, but intensified that han as early as this autumn's within the European Com-munity. Darry conference, and there have been ominous signs of an anti-Market move inside the Con-

servative party.
Some Tories have been firting with the idea of associate membership of the Community, with free trade in industrial goods problem, has clearly strained but withdrawal from the Common Agricultural Policy. These Giscard d'Estaing almost to pressures have been lessened, provided there remains the prospeet of a satisfactory settlement. Anti-Marketeers preised Mrs. Thatcher vesterday for the maintenance of pressure for a permanent solution that would involve restructuring the CAP and pro-Market Pories, in general, accepted the need for

The sole criticism of the Prime Minister's tactics came from the Liberals, who feared that such brutal methods could permanently damage the EEC, and from a minority of Tory pro-Marketeers. They argued pri-vately that Mrs. Thatcher might vately that Mrs. Thatcher's persistent tac offer to cut British's net contics, decided by the Opposition tribution to £325m and year.

after the abortive Dublin summit in November, could pay other Community leaders were ment that would take the Common Market

Dutch central bank attacks lack of political will

a united stand. Bitterness, tion, farm prices and common farmers will be granted a rise because it is felt in France that lamb and fish policies would of about 10 per cent "as soon

THE NETHERLANDS failed to was not due to a lack of insight further stimulated inflation. By find adequate solutions to its problems last year and must make sure that 1980 is not wasted, the Dutch central bank political opportunities which said in a sombre review of the economy yesterday.

qualified optimism expressed in the previous year's jobs. annual report depended on an agreement on policies by the ing funds other than through unacceptably large increase in Government, employers and the capital market—by the wage costs, he said. in the form of a 45 per cent on the wrong course.

or an absence of sufficient policy instruments," Dr. Zijlstra said. seemed to be lacking." The economy was still in a

We need not yet despair of state of fundamental discapacity continued to decline while there were few investments which might have created

Inflationary financing—raisunions, and on the absence of Treasury to cover large Govern-

skirting the issue of the size of the public borrowing require-"It was the political will or the ment the problem only became more pressing and more difficult to solve, he said. .

While criticising the politieconomic and financial recovery equilibrium with industry still cians inability to solve the but the sands are running out," not sufficiently competitive on Dr. Jelle Zijlstra, the bank's world markets. Productive came not in support of the wage president, said in his annual capacity continued to decline while crincising the politicians inability to solve the economic problems, Dr. Zijlstra capacity continued to decline freeze imposed earlier this year. The agreement nearly reached between employers and unions prior to the Government's intervention would have led to an

The central bank had no ment was not reached, however, each year and was a further intention of slackening the reig and external shocks occurred sign that the Netherlands was reins of its policies aimed at controlling money supply and se in oil prices. The public sector had been the money and foreign "Our failure to take appropriforced to turn to inappropriate exchange markets despite pleas ate measures at the right time sources for financing and from some sectors for an easing.

Broadside from East

WEST GERMANS have been jolted by a series of sharp Soviet and East German attacks on the Bonn Government which contrast markedly with the planned signing today by East and West Germany of an agreement to improve West Berlin's land routes to West Germany.

article, which was written by one of its correspondents.

The Soviet broadside has raised fears among West Gernans that Moscow is preparing for a tougher line towards Bonn in response to the anticipated West German boy-

WEST GERMAN aircraft manufacturers are urgently pressing of producing the ECA could be the Bonn Government to con- about DM 10bn (£2.4bn) and tinue development of the new European Tactical Combat Aircraft (ECA) despite its heavy shoulder more of the costs.

Dr. Sepp Hort, deputy chair-man of Messerschmitt-Boelkow-Blohm (MBB), has written to German politicians and ministers that the cancellation of the ECA would have a serious effect on the German aerospace industry and the economy in general. yesterday by European aerospace executives at the International Air Fair in Hanover.

aircraft, known as TKF 90 in Germany, is to be a have considerable unused pro-German-British-French development to replace the Jaguar and 6,000 jobs could be at risk Phantom fighters in the 1990s. unless new aircraft pro-Defence Minister, said at the ahead.

air show last week that the cost that Bonn cannot now afford its one-third share of this sum. He called on the industry to

This has alarmed the aircraft manufacturers, especially MBB, which is the main Hort's letter argues there are economic, rather than simply military, reasons why the TKF 90 should go ahead. After production of the Tornado multi-role combat aircraft begins to fall off at the end of the 1980s. both MBB and Vereinigte Flugtechnische Werke (VFW) will

duction capacity, and some

projects as the Tornado and Alpha Jet would go to waste, eroding Germany's competitive ness in both military and civil aircraft building. In addition, German concern involved. Dr. 60 per cent of the production facilities installed to build the Tornado could be used for the new aircraft... The German air force has to choose between four possible

executives argue that cancel-lation of the ECA project could

also mean that the experience

gathered in such multinational

options for its 1990s fighter. It could develop a national model, a bilateral project with Britain. The German detence budget or France, a trilateral project is under intense pressure with like the TKF-90 or it could buy the increasing costs of fuel and the planned F-181 from the U.S. manpower and the development DM 2bn more than a trilateral tank.

business a European aircraft would generate, Dr. Hort claims. A trilateral project would have the edge over a national or bi-national aircraft because it would spread the financial risks and the non-recurring costs making possible longer production lines.
The Defence Ministry has promised a decision within a

year. But the German aircraft manufacturers are worried that hesitation will simply lead to higher costs and will make the purchase of a U.S. aircraft superficially more attractive.

The real economic cost of of weapons other than aircraft,

Poles face tighter terms for \$500m Euro-loan

BY ANTHONY ROBINSON AND PETER MONTAGNON

from last week's meeting in years. Even this would have to Warsaw with the Polish be sweetened with a relatively authorities say Poland hopes to award a mandate for a \$500m cent. Euro-currency loan by May 28 but faces demands for tighter terms and more detailed information which could set a precedent for future lending to In response to Polish denials

of reports of a large hard currency loan from the Soviet Union, bankers pointed out that Poland's hard currency financing prospects would be improved if, for example, a borrowing could be in some way with backing from Comecon's Inter-Investment Bank. Since completion of financing for the huge Orenburg gas pipeline, this bank has been practically dormant.

Bankers involved in the new fund-raising operation will to demand the same sort of meet in London and New York details from other Comecon over the next few weeks to borowers. This would allow co-ordinate their approach. Western bankers to eliminate around \$500m for eight years at terms are closer to a split rate of other borrowers.

BY OUR ATHENS CORRESPONDENT

THE GREEK Prime Minister,

Mr. Constantine Karamanlis,

appears certain to be elected

President on May 5. The 73-year-old leader of the ruling

New Democracy Party re-

ceived 181 votes in yesterday's

second Parliamentary ballot at

which he was the only presi-dential candidate. This is 19

short of the required 200. He

received 179 votes in the first

Only 200 MPs voted yester-

day. The Panhellenic Socialist

Movement again refused to

The third and final ballot on

Monday requires only 180 votes for a candidate to be elected.

New Democracy commands 174 seats but Mr. Karamanlis

appears assured of at least

WESTERN BANKERS back of 11 to 17 per cent for seven

But willingness to lend, even at the sort of spreads and conditions now mooted, depend largely on Polish readiness to give more detailed figures on the economy and

Bankers especially want to know the composition of Polish reserves, more details about the breakdown between relatively cheap government-backed export credits and bank borrowings. and the basis of calculation for Poland's hard currency earning projections.

U.S. banks, in particular, believe that if they can elicit this sort of information from Poland they will then be able Poland is reported to be seeking the anomaly whereby, up to now, Comecon borrowers have 13 per cent over Libor, the been granted credits on the London Interbank, while basis of less comprehensive been granted credits on the bankers feel that acceptable information than that expected

Dublin to subsidise mortgages

By Stewart Daiby in Dublin THE IRISH Government is to

subsidise mortgage holders to keep the interest rate at 14.15 per cent. After increases in bank interest rates earlier this month, which meant that a middle-range borrower would have to pay 18.5 per cent on long-term loans, building socieities have been under pressure to increase their rates if they are not to lse deposits to the banks.

Instead, the Government is to spend about LE1.5m (£1.36m) each month so that the five main societies can increase the in terest rate to depositors by 1.75 per cent to 10.75 per cent. At the moment they offer 9 per

Mr. Sylvester Barrett, the Minister for the Environment, said yesterday that the subsidy be a temporary measure constantly under review in the light of changes in interest

● Ireland's trade gap narrowed by 1£50m to 1£107.8m in March when imports went up by 11.8 per cent to I£448m and exports by 27.1 per cent in value terms to 1£340m compared with Febru-

Should the trade deficit continue to fall by the amounts seen in March it could bring the balance of payments back within manageable proportions.

Turkish adviser on Gulf tour

By Metin Munir in Ankara

TURKEY'S CHIEF economic adviser, Mr. Turgut Ozal, left for Saudi Arabia and Qatar yesterday to prepare for fundraising mission in the Gulf by Minister Suleyman Demirel. The Premier hopes to raise loans to supplement credit of some \$1bn (£438m) arranged by the OECD earlier this month. He is also hoping to arrange oil purchases.

Reuter adds: Violence erupted in Ankara yesterday as left-wing students and workers protested against a government ban on May Day rallies. Troops and police detained 800 students after a gunbattie

iolts Bonn By Leslie Colitt in Berlin

An article by the Soviet press service Novosti has accused West German leaders of paying "lip service to de-tente" and called the "militarist ambitions" of West Germany a danger to the

the prime mover behind NATO's decision to station medium-range U.S. nuclear missiles in Europe. Novosti said West Germany had "practically become a target for a retaliatory strike" by the Soviet Union "in the event of a conflict, because of the wishes of its leaders."

At the same time, Herr Hermann Axen, a leading East German Polithuro member, speaking at a meeting in Paris of European Communist jarties, said that "West Ger-man imperialism was "striving for hegemony" and was in the "advance guard of the arms race and of anti-Socialist agitation." The West German Govern-

ment has called the Novosti attack an "excitable item of polemics" while the foreign olicy shpokesman of the Free Democrat junior coalition partner in Bonn said it "runs counter to all efforts by the Federal Government to exercise a moderating influence in the present international Novosti in Moscow has

denied it authorised the cott of the Olympic Games in BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

the next four years are fore curbed by attacking expendi-Mr. Boaman foresees a growth shadowed in the revised 1980- ture and, in particular, the of 11-13 per cent in 1980.

government yesterday. The new draft budget shows a deficit of budget allocations. Skr 57.9bn (£6.17bn) or more than 11 per cent of GNP for the fiscal year that begins on This is SKR 2.5bn higher than 3 This is SKR 2.5bn higher than 3 per cent in 1982 and 2.5 per the deficit posted in January. cent in 1983. The revised budget The increase is said to be due to higher interest charges on state debts and to rises in pen-

sions. It would have been even greater but for taxes on alcohol, tobacco and energy promised for next year. Government borrowing is the fastest growing item in the

budget. The long-term forecast suggests the deficit will climb to years. To restore balance to the economy, the Budget Minister, of GNP by 1984-85.

This would require a reduc-tion of Skr 7bn in 1981-82 and years. Taxation had reached its that monetary policy will con- 15 per cent.

TIGHT RESTRICTIONS on limit, Mr. Mundebo said. The tinue to be very tight. In terms Swedish public spending over budget deficit could only be of the broad money supply (M3) 1981 budget and a revised "transfers" to consumers, local finance plan submitted by the authorities and business, which make up two-thirds of state

> Local authorities are urged to cut the annual growth in their spending from the current 4-5 per cent to 3.5 per cent in 1981, points out that this implies there can be no expansion in services except for children and old-age pensioners. The finance plan allows for

a further increase in Sweden's

foreign borrowing in 1980. In January, the Government put the foreign borrowing requirement at SKr 10-15bn: the new suggests the deficit will climb to finance plan raises this to just under Skr 80bn in four SKr 13-17bn. But Mr. Gösta Bohman, the Economy Minister, said industry and local authori-Mr. Ingemar Mundebo, proposes ties should meet part of their to cut the deficit to 7 per cent long-term capital needs abroad so that foreign borrowing by further SKr 16-22bn is due to further cuts equivalent to 1 per be raised from domestic banks. The finance plan underlines

The revised finance plan anticipates a current-account deficit of Skr 16.6bn, corresponding to 3.4 per cent of GNP this year. This is Skr 4.4bn higher than the estimate made in January and compares with a Skr 10.9bn deficit in 1979.

The long-term forecasts provide for an increase in the de-cit to Skr 18.2bn in 1981, followed by a fall to Skr 13.3bn in 1982, but the outcome of current pay talks could upset the fore-casts. A major strike and lockout could occur on Friday. . The Government has assumed

7.5 per cent increase in nominal incomes this year, and 6 per cent in 1981 and 1982. But if incomes grow by 10 per cent this year and next, and by 9 per centi n 1982, the current account deficit would be Skr 17bn this year, Skr 19.4bn in 1981 and Skr 16.8bn in 1982.

The revised budget export year, industrial output to rise by 4.5 per cent, and capital investment in industry to increase by

Sweden to curb public spending Last-ditch bid to avert strike

MEDIATORS APPOINTED by Brazi the Government were due to submit a compromise pay settlement to Sweden's employers and the blue-collar unions' federation LO in a last effort to avert a strike by 100,000 workers 5, 2, Tur scheduled to start at midnight 5,2711.1.5 morrow.

The employers association the same to the sam iomorrow.

SAF plan to retaliate by immediately locking out over 750,000 employees for a week. The Swedish shipowners have The Swedish shipowners have also responded to a strike threat of the seamen's union by the declaring a lock-out on their car and passenger ferries.

The public sector unions, who have had 14,000 key employees a federal on strike for the past five days. on strike for the past five days, hom

on strike for the past ave days, and also had contacts with their indianous yesterday. The strike indianous yesterday. The strike in the past are by air controllers, harbour pilots and the affect of the strike in and customs officials has effect strong blocked all airline

But priority is being given to averting the private sector strike, which could paralyse most of Swedish trade

Why North Sea oil companies underestimated costs

BY FAY GJESTER IN OSLO

THE OIL companies which have veloped Norwegian oil and gas fields to date have, without exception underestimated the extent and complexity of their

This is one main conclusion in a report by a Governmentappointed committee studying the sharp rise in offshore development costs in Norway's part of the North Sea. It echoes the findings of a similar, but less comprehensive, study the UK Department of Energy conducted in 1975.

Inaccurate forecasting of the required input of resources (materials and labour) was the main reason why total costs for completed development projects on Norway's shelf, as of July last year, were 178 per cent above initial estimates. Inflation accounted for 48.3 per cent of this rise, and increased resource input (over original-estimates) for 51.7 per cent. The committee notes, however, that the oil companies

appear to have costs under

better control. now that their

For fields now being developed in Norway's part of the North Sea, estimated costs as of July last year had risen by only 29 per cent above the original figures. A table in the report com-

paring cost increases on the Norwegian and UK sides of the North Sea shows the pioneering developments in Britain's sector proved much more expensive than forecast.

In Norway's sector, comple-tion of offshore platforms accounted for 48 per cent of the before transport offshore. installations' total costs. Factors here where the cost of transport, installation, hook-up work, and inaction caused by had weather. The committee concludes that high priority should be given to reducing the work which must be done on site, and suggests the following measures to achieve this: Careful project follow-up at module-building yards, to ensure

completion on time. Rational dividing up of modules, to assist assembly, including possible increase in clude: North Sea activities -

DEVELOPMENT COSTS IN THE NORTH SEA July, 1979 (\$m) Projects 7,261.2 Norway (in progress) Britain (completed)

module size. Strict size tolerance require-Test assembly, and possibly

test of equipment functioning, The three-man committee which carried out the study has performed an enormous task. Its report fills two volumes total-ling over 8,000 pages, and took more than a year to produce. Some 60 hearings or interviews were conducted with official bodies and companies in Norway, Britain, the Netherbodies lands an dthe U.S. and consultations and individuals were

Norwegian industry; some UK power division of Norway's fields Brent, Beryl, Forties, state electricity authority, and Ninian); wage and price trends now a senior executive of 1973-79 and their impact on Norcem, a Norwegian content of the working producing exment and aniding Norwegian costs of the working Norwegian costs of the working environment law, Norwegian in-come tax rules, Norway's safety requirements, and the "buy Norwegian" policy. The final 60 pages are

devoted to a summary of conclusions and recommendations. The second volume of 326, pages, makes detailed sindles of five North Sea field develop. engaged to research various aspects of the study.

Topics in the first volume in-

fjord Valhall and Murchisongiving the committee's conclusions on each. The chairman of the factfinding committee is Professor Johannes Moe of the Norwegian • 29

Technical University in Trondheim Professor Moe by Oup belonged to the three-man group which investigated the 1977 blow-out on Norway's Ekofisk field. The other a history and general survey (induding the gradual evolution of members are Mr. Kontad Norwegian oil policy); Nor-Knutsen the state labour wegian shelf development pro-arbitrator and Mr. Ingvald Haga-jects and the involvement of formerly head of the thermal Norwegian industry same IIK materials. The Oil Ministry says there

are plans to publish the report in English in the facts near future—if not in full syless in summary form.

another eight votes.

Karamanlis is set to win

concessions to Britain. The only small consolation as far as the French are con-cerned is that, by the time the front of Britain's eight partners appeared to have been re-established. Mrs. Thatcher was isolated in her refusal to

accept a succession of what are considered in Paris to have been particularly generous pro-President Giscard made it clear before he left Luxembourg that he would not go through the same sort of exercise again. In future, "technical problems" such as Britain's budgetary contribu-

have to be settled at normal as circumstances permit," in meetings of the Council of spite of the disagreement in IF THERE is one thing which President Giscard d'Estaing and all French officials and comthe other government leaders Ministers. The role of the bent over backwards to make Council, grouping 5 per cent agreed by all the tate and government, Agriculture Ministers except heads of state and government, was to discuss broader international issues, without getting involved in technical details.

Meanwhile, the French Government faces the immediate and pressing task of placating the farmers, who make up about 10 per cent of the working population and are furious at Britain's refusal to accept the price increases agreed by the eight other member coun-

French farmers form a notoriously militant lobby In an attempt to prevent rural discontent flaring, President Giscard has promised that

farmers will be granted a rise

Britain's, and a further 5 per cent which they would have obtained anyway through French devaluation of the green franc. Such a unilateral measure would clearly contravene the rules of the common agricul-

tural policy. But the French

hope to work out an arrange-

Luxembourg. This includes the

ment with the other countries who agreed on a 5 per cent rise.
Inevitably, Mrs. Thatcher's
inflexible stand in Luxembourg
has again provoked speculation
in France about the desirability ship of the Community.

• President Giscard (right): never again

Congress begins inquests as Carter considers successor to Vance

Cyrus Vance is likely to speed a potentially damaging Con-gressional inquest on Presi-dent Carter's foreign policy competence, despite strong initial backing by the American public for the botched hostage rescue mission in Iran, writes David Buchan

in Washington. In the immediate aftermath of the popular Secretary of State's departure, the Senate Foreign-Relations Committee yesterday went into closed session to map out an investigation of that incident and the failed rescue mission. Armed Services Committees

in both Houses of Congress are due to investigate the ons behind the multiple technical failures that caused the planned raid to be

Administration officials recognise that the Vance resignation coming so hard on the heels of last Friday's fiasco is most unfortunate. "Everyone with an axe to grind will sharpen it on this issue," Mr. Jody Powell, the White House Press Secretary, said this week, referring to Vance's dispute of principle with the Administration over the use of force

Evidently, the President intends to try to counter the impression of disarray at the foreign policy belm by naming a permanent successor to Mr. Vance as soon as possible, perhaps at a Press conference he was due to give

late last night. Mr. Warren Christopher, the Deputy and Acting Secretary, has ben strongly tipped. Among other candidates are Mr. Sol Linowitz, the present Middle East mediator, and Mr. Lloyd Cutler, the President's Legal Counsel.

Confirmation of a successor to Mr. Vance, first in hearings by the Senate Foreign Rela-

tion Committee and then in a vote by the full Senate, is bound to provide a focus for a thorough-going inquest into President Carter's foreign policies, past tacties towards Iran and the future drift.

Opinion polls taken im-mediately after the rescue fiasco became known indicate backing for the President's action by majorities of more than two to one. Interestingly, 65 per cent of those polled in an Associated Press-NBC network survey rejected the suggestion that the falled mission was "one more example of President Carter's inability to handle the job of the Presidency. A similar majority approved the attempting of the rescue raid.

Nor, in the immediate wake of the event, has Mr. Carter's standing in relation to his Presidential rivals evidently suffered. But typically, by the record of past incidents such as the Bay of Pigs, one would expect the President's popularity to dip as the implications of failure sink in.

Mr. Vance has lessened the damage so far by his departure, first by refusing to detail the reasons for his resignation, and second, by persuading his colleagues at the State Department to stay at their posts. It is possible that some of his closer subordinates at the Department may follow him into private life in the coming weeks and months, but not right now. As basic strategy question

facing Mr. Carter now is whether he will at last take to the campaign trail to buoy up his renomination bid. On Monday, he visited a Texas hospital to see injured sur-vivors from the Iran mission his first proper trip outside Washington since the capture of the hostages. The visit was humanitarian in nature, but Texas has a Presidential primary this Saturday.



Mr. Cyrus Vance: "I could not support the difficult decision . . . on the rescue operation in Iran?

place in many of the closed

A voice of patience and diplomacy in a troubled world

CYRUS VANCE, it was always with Moscow because it served said, was the ultimate in self- the end of co-existence. But effacement: the sort of man who SALT-II now lies, like Mr. Vance could walk on a soft, sandy himselw, in the debris of beach and leave not a footprint quondam verities, the victim of to mark his passage. But in events beyond his control. departing the Carter Administration, on Monday in protest the country, as well, the other into Iran, after three and a half bone-wearying years as Secretary of State, he has left a National Security adviser. He gaping void, both in the peris seen as the confrontationist,

sent with consistency. To many, inside and outside Vance was, until the tide of this country, Mr. Vance was the rock of Mr. Carter's government, match for Dr. Brzezinski. Once, the embodiment of the timehonoured virtues of diplomacy Carter to make an official proand patience, a man who believed not in changing the world of State, not the National but in adapting to circumstances Security Adviser, was the only and making it a more peaceful place in which to live.

The central manifestation of this was his conviction that the U.S. and the Soviet Union, the The great f two superpowers, simply had to find an acceptable level of coexistence. He always considered

ean in

To many inside and outside over last week's aborted mission side of the Vance equation is personified by Dr. Zbigniew Brzezinski, President Carter's gaping void, both in the per-sonal qualities he brought to his job and, even more, in the philosophy which, in a turbulent water as the ideo-logue, not the pragmatist, as the bard-liner, not the accommodaworld, he had come to repre- tor. Skilled in the ways of bureaucratic in-fighting, Mr. last year, he even got President nouncement that the Secretary U.S. spokesman on foreign policy, apart from Mr. Carter himself. It was not an insigni-

The great fear, now that Mr. Vauce has gone, is clearly that House, there is plenty of evithe balance of foreign policy dence that the President is influence will switch conhis greatest triumph the negotia- clusively to the National Georgia voice, in the person of tion of the Strategic Arms Security Adviser. The trepida- his special counsellor,

Vance clone, quite, efficient and persistent.

But it must be noted that Mr. Christopher was in favour of the raid into Iran, which could imply either a generally harderline approach, or that he is less able to withstand the reletless Brzezinski approach that Mr.

But Mr. Christopher will be presiding over a State Department which, no matter how demoralised it feels about the passing of its leader, has gained weight and authority since the Kissinger years, when power resided not so much in the department as in the hands of one

There is also the distinct possibility that Congress, mistrust-ful of Dr. Brzezinski in any case, will seek to insert itself yet more intrusively into the foreign policy arena.

Moreover, inside the White hearing a non-Brzezinski, non-Limitation Treaty agreement tion may be overstated: Mr. Lloyd Cutler, like Mr. Vance

Vance's acting successor, Mr. and Mr. Christopher a leading ing the charred limbs of U.S. Warren Christopher, the deputy member of the unique frater-secretary, is in many ways a nity of Washington "superlaw-week. That is a deep provocaas versed in the arts of diplomacy as in the courts. Mr. Hamilton Jordan, the President's iconoclastic Georgian Chief of Staff, is reported to be so in awe of Mr. Cutler that he calls him "sir." Dr. Brzezinski's victory, therefore, may turn out to be more apparent than real - although it is only natural that everyone should assume he is in the ascendant.

> What really worries some in Washington, however, is that Mr. Vance may have resigned not merely because he opposed something which has already taken place-last week's mission -but because he cannot support what he knows is about to take place: that is, further military operations against Iran. American foreign policy, con-sumed as it is with the confrontation with Iran, seems sometimes to be swept along on the irresistible tide of uncon-

trollable events. It would be hard, for example, to underestimate the national sense of revulsion caused by television pictures, no matter

week. That is a deep provoca-tion, felt as much in the White House as in the heartland of America, and few in Washington now possess the tolerance towards such acts that was Mr. Vance's trademark.

It is worth pointing out, too. that, despite the Soviet invasion of Afghanistan, Mr. Vance was trying to keep lines of communication open with senior levels of the Kremlin.

He had been trying, unavailingly, to obtain Presidential permission for a meeting with Mr. Andre Gromyko, his Russian counterpart, presum-ably because Dr. Brzezinski argued against it. Certainly, public opinion seems to favour the tough, even belligerent, tack towards Iran, Moscow and even the allies, if they are seen to be dragging their heels, than the conciliation so indelibly associated with the former Secretary of State. If tougness means electoral success, it is a powerful inducement.

That Mr. Vance should resign the over the abortive raid into Iran lack of "instruction" was to natter —he told the President he would many the quintessential

symptomatic of the demise of tion. Any analysis of his con-siderable and lengthy career, replete with frustrations as well as successes, leads to the irresistible conclusion that he was a builder of bridges, often out of straw not bricks, rather than a destroyer of edifices.

The catalogue of Vance missions under three Presidents spans the globe-Panama, the Dominican Republic, Cyprus, Vietnam both in Saigon aⁿd for the first Paris peace talks). Under President Carter, they embraced, the Panama Canal treaties, a central role in the Middle East, and strong support for the new U.S. approach to Africa, Mr. Andrew Young, the former UN Ambassador. It also included some setbacks-disillusionment with the Vietnam war, unhappiness at having to sack Mr. Young, and most recently taking the blame for the controversial vote against Israel in the United Nations last March.

To accept the blame for that how tastefully edited, of do so regardless of whether it example of Cyrus Vance, the White House deliberations on the high Ayatollah Khalkhali brandish-succeeded or not—is graphically team loyalist. In hindsight, Iranian policy and, on April 11, caused

however, it was the beginning when Mr. Carter ordered the of the end of his reign as Secre- rescue mission to proceed, it tary of State. He had said in was significant that Mr. Vance 1979 that he would not serve a was on holiday and that Mr. second term in office if Presi- Christopher supported the

dent Carter was re-elected (he rescue attempt Yet, as his letter to President argued that staleness was Yet, as his letter to President inevitable after four years), but Carter demonstrated, he left as never before had he been so an honourable man, with his sharply rebuffed by the domestic politicians running the Carter campaign. In the weeks agreed with him — Senator that followed, particularly as Henry Jackson, for example, the UN negotiating effort in who always thought Mr. Vance Iran, which he strongly sup- too soft on the Russians—were ported, came to naught, his rushing yesterday to praise his qualities and to contemplate

Chrysler awaits decisions from crucial meetings on loans

BY IAN HARGREAVES IN NEW YORK

the U.S. and Canada would authorise the first injections of public funds needed to save the notor · company

loan guarantees board went into ruling is made on May 8, but its ession to consider qualified meeting was put back to allow recommendations from various lawyers to consider the situation. Government Departments that it should give the green light 33 for a heavily slimmed-down Chrysler to receive \$1.5bn (£657m) in loan guarantees.

At the same time, announcements were expected on injections of funds from the Government of Canada and from the State of Michigan. Chrysler has major manufacturing facilities

The crucial decision—that of

Brazil metal

workers vote

By Rik Turner in Sao Paulo

to stay out

CHRYSLER, ON the eldge of a the Loan Guarantees Board- pect of emerging as a viable cash crisis, was hoping yester- was delayed for 24 hours after a day that a series of meetings in successful court action at the end of last week by a consumer group which sought to force the board to meet in public.

The Board has decided it does not need to observe this require-In Washington, the Chrysler ment until a permanent court The Board will have before it

separate documents for signature but essentially two decisions are involved: whether the \$2bn Chrysler has assembled private commitments from workers, lenders and others meets the terms of the Chrysler aid legislation passed by Congress at the end of last year and whether the Board feels that Chrysler, granted Government aid, has a reasonable pros-

company in the longer term.

. There seemed little doubt that the Board, under the chairmanship of Mr. William Miller. the Treasury Secretary, would respond affirmatively to these questions, alhtough some degree of latitude will be required in interpreting certain aspects of

It is possible that the Board will approve the plan in principle but will require certain additional conditions and details to be worked out after loan guarantees are authorised.

Such guarantees would not be immediately available after authorisation, but the official approval of the Board would be sufficient to unlack other com-ponents of the company's financial plan.

Our task is to ensure that all our businesses produce attractive profits on the capital they employ

1979 £000

669,905 587,675

25,008 24,509

21,789 21,589

19,667 19,976

2,122 1,613

19,358 17,025

1978 £000

Summary of results

Profit before taxation

Profit hefore taxation

Profit after taxation

utributable to ordinary

of which:

attributable to Booker McCom

earned by overseas companie

Earnings per ordinary share:

earned by United Kingdom compani

Extracts from the Statement by the Chairman, Michael H Caine

Venezuela hydroelectric project hit by delays

BRAZILIAN metalworkers on LABOUR and management strike since April 1 voted to continue their action vesterday. expand aluminium output in

were held until forbidden by the Federal Government. Claudio Hummes, Bishop of Sao Bernardo, told Venezuelan Engineers'

But Braseven says wildcat remote jungle site, 460 miles from Caracas, "there won't be any dam for many years," in export. Sao Bernardo Union

the words of the leader of the construction workers, Sr. Juan

Guri project—originally scheduled to reach 9m kilowatts by 1987-affects plans to raise steel output to 5m tons and aluminium to 400,000 tons in Guayana.

could

Trading Performance

We faced hard trading conditions in 1979. The road haulage strike, the engineering unions' intermittent stoppages, the restraint on Government expenditure, the strength of sterling and high interest rates all had their particular

The Engineering Division fell back by 36%. Fletcher and Stewart made satisfactory profits from past contracts, but at the end of the year was still seeking new turnkey projects. Fletcher Sutcliffe Wild now looks to 1980 for acceptance by the National Coal Board of its new generation of roof supports. SPP Group made reasonable profits in the face of restricted public expenditure in the UK.

The rest of the Group moved ahead by 28%. The Food Distribution Division improved its performance and secured cost reductions in warehousing, delivery routes and administration. This encouraged us to take the major step of acquiring Kearley & Tonge. The Spirits and Liqueurs Division performed

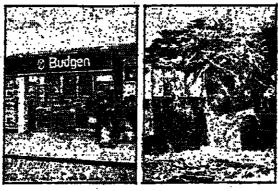
well. But largely due to the strength of the pound, Tia Maria paused in its earnings growth, although volume sales increased. The Health Products Trading Division had

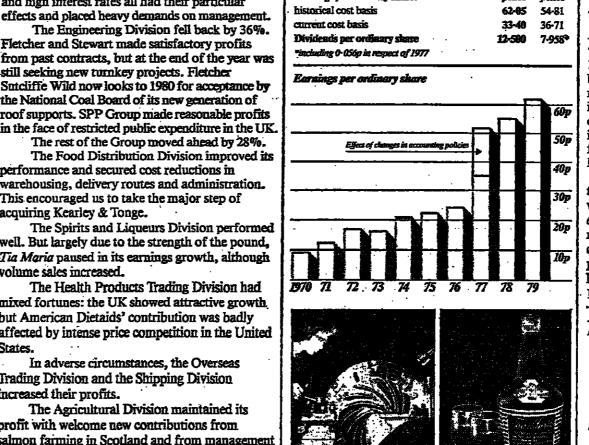
mixed fortunes: the UK showed attractive growth but American Dietaids' contribution was badly affected by intense price competition in the United

In adverse circumstances, the Overseas Trading Division and the Shipping Division increased their profits.

The Agricultural Division maintained its profit with welcome new contributions from salmon farming in Scotland and from managemen of UK farms.

The Authors Division improved its profit substantially through its interests in Agatha Christie.





Development

Our task is so to shape Booker McConnell that all our businesses produce attractive profits on the capital they employ whilst at the same time seeking out new investments which lie in real growth markets and disposing of those businesses in which there is no satisfactory real profitability or growth.

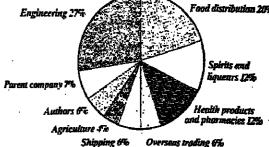
We aim to achieve the right balance between securing profits now and for the future.

Prospects for 1980

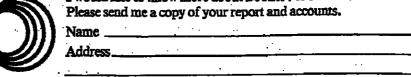
1980 presents many difficulties. Some of our businesses will produce higher profits. Our overall results will be determined by the success we attain in engineering, where we need to strengthen our order books, and by the progress we make in improving efficiency through rationalisation in food distribution following the acquisition of Kearley & Tonge.

The success of Booker McConnell depends on the energy, knowledge and enthusiasm of all who work in the company. High productivity and efficiency can only be achieved in an atmosphere of mutual respect and understanding. We are facing difficulties common to many UK companies at present but management is strong and we operate largely in markets which will have growth in the 1980s.

Analysis of profit before taxation attributable to Booker McConnell



To: Booker McConnell Limited, Bucklersbury House, 83 Cannon Street, London EC4N 8EJ. I would like to know more about Booker McConnell.



Booker McConnell Limited

at mas meetings held in the church in the Sao Bernardo industrial zoneo f Sao Paulo. At the same time, they called fora May day march from the church to the local football stadium where strike meetings

असीर्व

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the strikers of "the solidarity of all churces in Brazil for the just demands of the people." The Church has given use of its premises for union purposes since the Government intervened in the activities of the two striking union on April 17, and has been the oject of critiby President Joao Figneiredo, who accused "some priests" of leading the strike. 17 of the workers'

leaders have been imprisoned. since April 19, including Luis Inacia De Silva, president of

BY KIM FUAD IN CARACAS

problems are threatening to undermine Venezelan efforts tap low-cost electricity from the Caroni river. The electricity would be used to steel and the country's south-eastern indus-

trial centre of Guayana. Brasven, the Brazilian-Venezuelan group that won the \$1.lbn (£482m) civil engineering contract for raising the Guri Dam from 2m to 9m kilowatts, is accused by the of being responsible for the 21-month delay.

strikes and absenteeism among the 10,000-man workforce are the cause—though the company admits to being one year behind schedule in the Guri expansion. Venezuelan labour leaders waru that unless working conditions are improved in the

Herrera.

technical report commissioned by the Government recommended in February that outside help be brought in to assist Brasven. This, it was said, should come from among the original bidders for the

delay in expanding

electricity shortages for the country in future. Venezuelan electric power development plans call for installing over 28,000 mw by the end of the century, hydro-electric projects are supposed to provide 70 per cent of this. The alternative is greater reliance on thermoelectric plants using fuel oil Venezuela's main refined oil

Cronkite denies political aims

MR. WALTER CRONKITE, the honoured to be asked, I woudn't celebrated television newscaster, yesterday flatly denied well-documented reports that he would accept an invitation to run as Vice-Presicandidate on the independent ticket headed by Mr. John Anderson.

Mr. Cronkite, who public opinion polls have found to be the most trusted man in the country, said in a statement that a conversation he had had with his voice, he can convey so the New Republic magazine had approval or disapproval of items a been "misinterpreted" by the in the straightforward news reporter concerned. "I have reports he reads each evening. no interest in entering politics

in any capacity," he said. was copiously quoted as saying a harbinger of subsequent the following: "I'd be so public reaction to events. following: "I'd be so public reaction to events.

turn it down. It would be the right party.

step down after a 20-year stint "anchor man" for the CBS national evening news at the start of next year. public His influence on

underestimated. By a flick of his eyebrow or an inflection in

It is often said that in grappling with the Iran crisis, hation focuses on the Intense speculation had been the Carter Administration is set off by an article in the New susceptible to Mr. Cronkite's Republic, in which Mr. Cronkite interpretation, considering him

Mr. Anderson well knows he neds an attractive running mate if his independent candidacy is Mr. Cronkite, an avancular to be viable. Previous bids for figure in his early 60s, is due to the Presidency from outside the two main parties have often been laid low by farcical choices for the Number Two spot—George Wallace's picking of General Curtis ("Bombs opinion here is not to be Away") Lemay in 1968 being a prime example.

Most polls give Mr. Anderson something like 15-20 per cent in three-way contest with Mr. Carter and Mr. Reagan-though there is the suspicion that this total would diminish as the principal contenders. Mr. Kondracke said yesterday

that he had not cajoled the

above comments out of Mr.

Sadeq Qotbzadeh, escaped bullet-proof car unscathed but understanding from the understanding when gunner hit a car ful lof security men. Iranian people. The main puropened fire on his car in Kuwait. The assassination attempt came at the start of a two-day visit witnesses one security man the even of any worsening of its to the sheakhdom

In an immediate reaction to the incident, the authorities gunmen escaped, leaving arms temporarily closed Kuwait's in their abandoned cars. Later, tional airport . So far there has been no

official comment on the attack evidence yet as to who was heighten tension in the Gulf evident here over the confron- which has said Iran was behind tation between Iran and Iraq recent assassination attempts on and the hostage crisis with the U.S. The attack occurred as Mr. Qotbzadeh and his delegation palace at the start of a day of

official Kuwait news agency said bullets were fired

THE UPPER echelons of both

Malawi's government service

and the country's state corpora-

tions have been reshuffled in

recent weeks by Dr. Kamuzu

Banda, the life President, in

response to Malawi's economic difficulties.

tives of a string of state cor-

porations, including the Malawi

Malawi Railways, Air Malawi

and the Export Promotion

Council, have been transferred,

Dr. Banda's speech gave some

indication of the difficult economic outlook when he said

make way for it.

The congress will follow a

People's Congress in August and

both meetings are expected to

endorse further changes at the

top of the party and state

Colina MacDougall adds: The

of the National

Development

retired or dismissed

The chairman and top execu-

BY QUENTIN PEEL IN JOHANNESBURG

Corporation,

received bullet wounds. The twin external threats. news agency said the unknown gunmen escaped, leaving arms sympathetic hearing in Kuwait been made. Although

prominent Iraqi figures.

ruling sect in Iran. On his arrival in Kuwait on turned away.

IRAN'S Foreign Minister, Mr. left the Foreign Minister's ing a message of friendship and According to officials no one pose of his tour is believed to was hurt, but according to eye- be to rally support for Iran in

Although he will receive a

and at his other stops, in the fand frontiers and its interna- reports said several arersts had United Arab Emirates and Bahrain, it is unlikely that Iran will receive any official backing. Simon Henderson reports will undoubtedly responsible for the attack, reports from Tehran: Iran suspicion will inevitably fall alleged yesterday that one of its and the nervousness already first on neighbouring Iraq, aircraft was fired on during an encounter in the Gulf of Oman with two fighter aircraft from

the U.S. naval task force there. Iraqi agents are believed to The incident, which was said operate covertly in Kuwait and to have taken place at midday were driving from their state have ben blamed for the kid- yesterday, apparently ended guest house to the Emir's napping in recent months of when four Iranian air force airseveral members of the Shi'a craft scrambled in support of Moslem clergy, affiliated to the the first aircraft. As they approached the two U.S. aircraft

Malawi economic problems lead to shake-up



C-130 Hercules transport, which was intercepted by two F-14 failed last Friday. Iran has fighters when it came within 50 nautical miles of the U.S. aircraft carrier Nimitz.

The incident is the first contwo cars parked at the Monday evening on the third Washington has denied that tact between the U.S. task de as the Minister's leg of his tour of Arab states, any firing occurred and said the force and the Iranian armed tact between the U.S. task roadside as the Minister's leg of his tour of Arab states, any firing occurred and said the force and the Iranian armed motorcade passed. The attack Mr. Qotbzadeh said was convey- Iranian aircraft involved was a forces since the attempted

ing price of imports, particularly oil, and relatively stagnant

prices for tobacco and tea,

Malawi's principal exports. Con-

gestion on Mozambique railways and at the ports of Beira and

Nacala, Malawi's only bulk trade routes before the Zim-

babwe settlement, also severely

disrupted imports and exports.

precipitating a fuel crisis at the

end of last year, when oil

The International Monetary

Fund has agreed that the credit

squeeze in Malawi—a limit on

commercial bank advances, com-

to qualify for additional standby

credit of at least 26m Special

theless, the strict measures

could have drastic effects on

imports almost stopped.



Mr. Sadegh Qothzadeh (left), Iran's Foreign Minister, who escaped a hail of bullets in Kuwait yesterday

rescue mission of the hostges claimed that it has kept the task force under surveillance since it took up position soon after the hostage crisis began last November. It is not clear why a C-130 should be used for

He has also allowed a major

state-related business, the Spearhead Group run by the

ruling Malawi Congress Party's

Young Pioneers, to be placed under judicial management.

However, Malawi is committed

to continued heavy capital ex-

penditure on development projects, including the prestige international airport at

Lilongwe, the new capital, and

continuing reliance on inter-

national soft loans is a necessity

major source of loans is likely

to be the European Community,

and an agreement to provide

Kwacha 95m (£51.6m) over the

next five years was signed in

Majawi at the weekend by Mr.

spelt out in the budget.

Committed

another mission.

The Iranian report indicates a desire to prove that its armed forces are at a high degree of readiness, despite lack of spares for U.S.-built aircraft and the general low morale believed to exist as a result of revolutionary purges.

Two Iranian aircraft were scrambled from the Bandar Abbas air base which controls the strategic Strait of Hormuz and two more followed within three minutes. The U.S. aircraft broke off contact 20 minutes after the incident started as the other Iranian aircraft, probably F-4 Phantoms.

reports: The National Iranian Oil Company is drastically cutting down services at its Kharg Island terminal — the major outlet for Iranian oil from its three relay stations in exports capable of handling tan-

Mary Frings in Bahrain

of an offshore oil rig advising them of the cancellation of helicopter services between the rig and Kharg Island because operations were ceasing as from 7 am local time.

In Bahrain, the shipping agents Gray Mackenzie, who supply a number of tugs to NIOC for benthing tankers, were also informed that for operational reasons their tugs

were no longer required. A pilot who flew over Kharg Island on Friday said that only one ship was alongside, an empty Japanese tanker. Iran last week cut off Japan's oil supply.

Kharg Island is reported to have the equipment to load at the rate of 6m barrels in 24 hours. Its near closure follow hard on the news of the withdrawal of Decca Navigator staff Iran. The Decca navigation kers up to 500,000 deadweight, system is therefore no longer The company sent a message available to tankers in the on Monday to the U.S. operaors . northern Gulf.

Dampened hopes for autonomy negotiations

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THERE IS little optimism in Israel or Egypt that agreement can be reached in the "intensified." negotiations on Palestinian autonomy which begin at Herzilya, north of Tel Aviv, today despite the May 26 deadline set for them a year

Dr. Mustapha Khalil, Urime Minister, is heading the Egyptian delegation in the talks with the Israeli team headed by Mr. Yosef Burg, Israeli Minister of the Interior, in conjunction with Mr. Sol, Linowitz, President Jimmy Carter's

special envoy.
So far the Palestinian inhabitants of the West Bank and Gaza Strip have refused to have anything to do with the negotiations indertaken on their behalf and as yet there is no prospect that they would endorse an agreement even if one is reached by the deadline.

At thet same time the talks have not grappled with the substantive issues about the range of powers to be given to the proposed self governing authority as these touch on fundamental differences or con-

cept between Egypt and Israel. Israel originally proposed the autonomy plan as a way of retaining military control over the occupied territories, while handing over the responsibility for running their daily lives to the 12m Palestimans in the West Bank and Gaza Strip.

Refusing to give the Palestinians any legislative or judicial powers, Mr. Menahem Begin's Coalition Government insists that they be permitted to establish only a small administrative, council with limited powers for running local education, health and social services.

Israel is also adamant that if will retain control of the external and internal security for the territories, permitting only a small local police force to deal with civilian matters. It also claims the right to continue huilding Jewish settle-ments on the West Bank and

in the Gaza Strip.

Egypt wants the Israelis to share internal security with an Arab force, probably with the Egyptians in Gaza and the Jordanians on the West Bank. It also opposes the establishment of Jewish settlements there as does the U.S. In the last resort, the most sensitive issue in dispute is the future of Arab East Jerusalem which was captured and annexed by Israel in 1967. The Egyptians insist that the 100,000 Palestinians living in the city must at least be given the right to vote in the elections for the autonomy self-rule body. This s totally opposed by Mr. Begin's Covernment.

President Anwar Sadat of Egypt has warned several times in the past month that unless progress is made in the talks by the May 26 target date then a " new situation " will have been

He does not believe that the resignation of Mr. Cyrus Vance as U.S. Secretary of State will have any effect on the American role in today's negotiations,

Kampuchea talks crisis. But they have so far

Thailand call for

BY RICHARD COWPER IN JAKARTA

GENERAL PREM TINSULA-NOND, Thailand's Prime failed to convince UN officials Minister, has called for an inter- or leaders elsewhere in the national conference that may form the basis of a political settlement leading eventually to the return of over 150,000 refugees to Kampuchea.

Speaking in Jakarta at the weekend, at the end of an inaugural tour of south-east Asian capitals, General Prem said he hoped a meeting would be held in Geneva under United Nations auspices on or around May 27. He hinted that representatives from the Vietnamese-backed Heng Samrin regime might attend.

General Prem, nevertheless, contradicted recent speculation that the Association of South East Asian Nations (ASEAN) grouping which comprises Thailand, Malaysia, Indonesia, Singapore and the Philipinnes — was moving towards any accommodation with Vietnam which might involve recognis-

ing the Heng Samrin regime. ASEAN leaders have been pressing for some time for an arising out of the Kampuchean fait accompli-

world that sufficient common ground exists to make a compromise possible or a conference worthwhile. The ASEAN initiative evi-

dently came in New York on Friday at a meeting of the UN Economic and Social Committee. The committee was expected to meet late last night to vote on the ASEAN proposal.

Thailand has particularly strong reasons for wanting the refugee issue to be resolved. It has around 150,000 refugees in camps along its border with Kampuchea. Tony Walker reports from

Peking: China has warned the ASEAN states to ignore Vietnamese attempts to establish a dialogue with them. A com-mentary by China's official news. service yesterday claimed that Hanoi's proposals for talks with ASEAN was intended to provoke dissension in the association's ranke. Vietnam, it said, was using pressure to persuade international conference to dis-cuss the humanitarian problems occupation of Kampuchéa as a

resulted in a fall of the average created

MEASURES announced by Viet put and of productivity have nam to boost food production contain one of the frankest grain ration per person. They admissions to date of the increasing difficulties the regime. is facing in feeding its own population

By the end of last year, the Manila-based bank had only US\$9m (£3.9m) of uncommitted balances left in so-called Asian Development Funds which are used for concessional lending. \$22m in such loans to Pakistan, Bangladesh and Laos, but it has insufficient resources to make

Until the U.S. makes its contribution, other countries are also delaying their second tranche contributions to the second fund replenishment, which totals some \$20n. It is designed to carry the bank through from 1979 to 1982. The U.S. is due to contribute some 22 per cent of this total and Japan, the most powerful voting and subscribing member, some 33 per cent.

attempt disclosed

THE PRESIDENT of the small Indian Ocean republic of the Maldives, Maumoon Abdul Gayoom, has told the legislative assembly of an abortive plot to assassinate him and other senior officials earlier this year, Larry Klinger reports from Male.

In a speech to a special late-night session of the assembly, the President said that at least nine foreigners had been hired in February by Maldivians close to Mr. Ibrahim Nasir, a former President. Mr. Nasir is in selfimposed exile in Singapore following allegations of misapropriation of funds. The President said that the

evidence implicated a known member of the Irish Republican Army, British security and an embassy in Sri Lanka. The former British protec-torate is a 400-mile-long group Hanoi admits difficulty in feeding population BY DAYID HOUSEGO

announced a five-year freeze on both the agricultural tax and on the amount of grain co-

operatives are obliged to sell the state under "two-way con-These are barter tracts." agreements on the basis of which co-operatives purchase agricultural inputs and consumer goods. The new measures come at a

time of reports of another disastrous harvest in Vietnam because of drought. It is also believed that the Russians have told Vietnam that they will have to restrict grain deliveries because of the U.S. embargo on grain sales to the Soviet Union.

The Council of Ministers, announcing the new measures, said that in recent years decline in both the volume of grain out-

April 29, 1980

Rice output in Vietnam

(north and south combined) rose from 10.5m tonnes in 1975 to 12m tonnes in 1976, but fell As an incentive to farmers, back to 10m in 1978. There is the Government in Hanoi has believed to have been no inback to 10m in 1978. There is crease last year and prospects

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ENTE NAZIONALE IDROCARBURI

(National Hydrocarbons Authority)

63/4% Sinking Fund Debentures due June 1, 1988

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on June 1, 1980 at the principal amount thereof \$697,000 principal principal amount of said Debentures, as follows:

Outstanding Debentures of U.S. \$1,000 Each of Prefix "M" Bearing Serial Numbers Rading in the Following Two Digits: 21, 34 42

Also Debentures of \$1,000 Each of Prefix "M" Bearing the Following Serial Numbers: 3450 4450 5150 5350 5650 6650 7350 8050 8750 9950 12150 12360

On June 1, 1980, there will become and be due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender. for the payment therein of public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto Broadway, New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algendone Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. Lixembourgeoise in LuxembourgeVille.

Debentures surrendered for redemption should have attached all unmartaned coupons appurtenent thereto. Coupons due June I, 1980 should be detached and collected in the basial manner. From and after June 1, 1980 interest shall cease to accrue on the Debentures herein designated

> ENTE NAZIONALE IDROCARBURI By: MORGAN GUARANTY TRUST COMPANY

... OF NEW YORK, Fiscal Agents

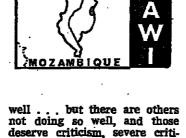
NOTICE The following Dehentures previously called for redemption have not yet been pr

DEBENTURES OF U.S. \$1,000 EACH

Budget speech Gen. G. G. Matewere, a longfighting mismanagement serving Army commander, was also retired two weeks ago. The sheke-up follows Dr. Banda's that some managers of statutory unprecedented attack last bodies were "careless and month on mismanagement in wasteful about money. the public service in his speech opening the budget session of

Consultations

"I want to warn everyone inflation was causing concern, that whether they keep their and that a severe drought had jobs or not depends on their balance of payments deficit and hit his staple maize crop in the performance. Some of the curb soaring bank credit to the southern region. He warned statutory bodies are doing very



bined with a 20 per cent import deposit scheme—is enough

Dr. Banda's Government last Drawing Rights (£15m). Neveryear introduced tough economic measures, in consultation with the International Monetary Fund, to correct a growing

Yu

steady economic growth. The

Chinese have apparently opted reviewed.

Qiuli, said

business, particularly tobacco estates hit by a further drop in prices this year. President Banda's latest mea- general for development. China to hold party congress this year

Maurice Foley, the European Commission's deupty director-

Asian bank starved CHINA will hold its 12th announced after the Central take the current three-year eco-officials that present policies of funds

The current account deficit on sures suggest a determination to balance of payments to deal with the root causes of

widened from Kwacha 105.7m the problems. Last month's

(£57.5m) in 1978 to Kwacha budget strictly limited public

164.6m (£89.5m) last year. The sector spending, which still excauses were primarily the soar-panded last year despite the

credit squeeze

National Party Congress later

Committee Plenum at the end nomic "readjustment" period continue.

This year, instead of early in 1981. Important gatherings have been positioned until 1981 to and the outline of an economic charge of the state Planning large number of chosen dele-By Anthony Rowley in Manila THE ASIAN Develor gates, it is expected to reflect today begins its 13th annual the views of Vice-Premier Deng. meeting in Manila and faces the Before the congress. Party danger that its concessional lending will dry up unless the Chairman Hua Guofeng, who energy, transport and communimembers recruited since the inherited his post from Chair-catious, culture, education and Cultural Revolution, who make man Mao. Vice-Premier Deng science, and would aim for up about half the Party, are with a contribution to the to have their credentials funds which is four months Requirements for overdue. is thought to prefer a candidate for long-term planning both for party membership may also be of his own choice to preside such oil and power projects tightened. These factors may over modernisation policies. where investment will take years cause some conflict at party The U.S. delegation, headed

by Mr. Deane Hinton, Assistant Secretary of State for Economic and Business Affairs, will come under heavy pressure this week to meet its obligations to the

But with the U.S. suffering from what one official here des-cribed as "aid fatigue" and Congress blocking the Carter administration's funding moves, the bank's concessional lending could dry up before a solution is found.

It has since committed itself to

Maldives coup to assembly

of atolls south-west of Sri Lanka and has a population of about

The 10-year Plan will over to pay off and to reassure grassroots.

Xiaoping, the driving force

behind the present leadership,

Plan to cover 1981-90. The con- Commission,

stitutional changes are thought recently that the Plan would

likely to affect the position of concentarte on agriculture,

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Rolls-Royce

wins Air NZ

By Dai Hayward in Wellington

THE NEW ZEALAND Govern-

ment has rejected a recommendation from Air New Zealand

to buy General Electric engines

for its new fleet of five Boeing

747s and instead has decided in favour of the RB-211 Rolls-Royce Dash 524 engines. The

deal is reported to be worth

Air New Zealand was given

approval two weeks' age to re

place its DC-10 fleet with Boeing

747s and an order for five air-

craft was placed. Air New Zealand favoured General

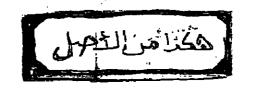
Electric engines but the New

Zealand Cabinet has accepted

arguments put forward by a

about \$NZ 100m (£43m).

engine deal



Washington settles dispute over Japan TV dumping

BY DAVID BUCHAN IN WASHINGTON

just before the arrival of Prime some 50 cents on the dollar. Minister Masayoshi Ohira here

The Commerce Department announced on Monday night that major importers had agreed to pay the U.S. Government \$75m to \$77m, and this would close the case without the companies admitting dumping. The U.S. Treasury ruled the TVs were being dumped back in 1971—sold at less than home price and injuring U.S. producers—but dumping duties were never collected.

Of the overall settlement, \$66m is for dumping duties and payments are being made by such major manufacturers as Mitsubishi, Sanyo, Toshiba and Nippon Electric as well as by four big U.S. importers—Sears Roebuck, J. C. Penney, Monthere that gomery Ward and white blooms fresh start, the Japanese barbetween \$9m and \$11m in come out well.

In a further concession the

THE CARTER Administration He said the U.S. Government has settled one of the longest- had reckoned the maximum running dumping disputes, in- amount it could have gone to volving the import of \$2bn court and won from the (£896m) worth of Japanese ele- importers was \$138.7m, and vision sets over the last decade, thus the Government had won

But U.S. manufacturers, in particular, the Committee to Preserve American Colour Television (COMPACT), has claimed the importers were liable for much more, nearly \$700m, in dumping duties, and yesterday attacked the settlement as a sell-out.

Mr. Charles Vanik, who chairs the House of Representatives Trade subcommittee, also criticised the Commerce Department for being soft on the Japanese and as "poor payment for the destruction" of the U.S. industry.
The Commerce Department

has been auxious to shed itself of the backlog of dumping cases which it inherited from the

There is a general impression here that with the Commerce Department auxious to make a

improper invoicing.

U.S. Administration is to assess any future dumping duties that any future dumping duties that Department general counsel, might arise on the basis of described the settlement as "on wholesale prices in the Japanese very fair terms for the U.S." market

Tokyo 'to remove car part tariffs'

TOKYO-The Japanese Government has tentatively decided to remove tariffs on imported car parts to soften U.S. criticism about lopsided automobolic trade between Japan, and the U.S., Kyodo News Service said yesterday.

Japan is to notify the U.S. Government of the "drastie" plan by today after a final agreement is reached at a meeting of officials from the Finance, International Trade and Industry (MITI) and Foreign Ministries.

Under the plan, Japan's 10.4 per cent import tax on foreign-made chassis and its average 5.3 per cent fees on other car parts, including engines, will be reduced to zero, effective from next April, the news agency said.

The Government step was taken following negotiations in Tokyo last week between Japan and the U.S. on reducing Japan's duties on imported car parts, now 1 to 2 per cent higher than those of the U.S.

The U.S. side, led by Mr. Stephen Lande, assistant residential representative for bilateral trade affairs, pressed for the conclusion on a package agreement before Prime Minister Ohira's visit to Washington tomorrow.

EEC to act on U.S. fibre imports

BY GILES MERRITY IN BRUSSELS

THE EEC is shortly to take investigation immediately comes a level of duties that would lift polyester filament yarn prices parallel actions against U.S. after a formal complaint to the polyester and acryic fibres that Brussels Commission at the end coud cut the booming and con- of last week by the Paris-based troversial American trade to CIRFS, the organisation which Europe of synthetic textile fibres groups Europe's 11 giant fibre-

Governments are now being advised that on May 5 the European Commission is to launch an anti-dumping probe against U.S. polyester filament foreign ministers on the imposi-yarns, both flat and textured, tion of Community-wide antiand it is expected that within a matter of weeks provisional anti-fibres for an indeterminate inroads will be pushed upwards dumping duties will be imposed. period. The Council of again.

Department (ECGD) will no

longer insist on exporters

financing large, specifically guaranteed overseas contracts

in foreign currencies under its

However, because of the "im-

portant competitive advantages"

for exporters of financing in

scheme.

rate export finance

by 80 per cent. makers, and the submission of The nine EEC member a detailed 200-page dossier on cases of dumping by U.S. pro-

May 5 is also due to see a decision being taken by EEC tion of Community-wide antidumping duties will be imposed. period. The Council of The decision to begin the Ministers is expected to opt for

the prices in Europe of U.S. last year fell 10 per cent, while staple and tow acrylic fibre raw materials rose 25 per cent, above EEC price levels, and in and for 1980 the major fibre doing so would give the whole of the EEC industry the protection it has been seeking.

European textile industry experts believe that the twin steps against the U.S. industry will see a rapid drop in its exports to the EEC. They predict that European synthetic fibre prices that had been dumping duties on U.S. acrylic seriously depressed by the U.S.

The EEC industry's average cent.

producers in Europe have been forecast to lose a total of £250m ·unless action was taken.

The EEC industry has also calculated that by the end of last year U.S. penetration of the European market, whether through dumping or because of the controversial question of cheaper U.S. petrochemical feedstocks, averaged 17 per cent and in Italy reached 33 per

> Rolls-Royce team which has been in New Zealand promoting the British engine. Mr. Robert Muldoon, the Prime Minister, said that, General Electric had short-term technical advantages but the uncertainty over future fuel price levels made the Rolls-

Royce engine more attractive in the long term. Mr. Muldoon said the Cabinet had taken trading relations into account when making its decision, but there had been no significant pressure from either

he U.S. or British governments. Mr. Muldoon admitted there were some supply problems with the Rolls-Royce engine but Rolls-Royce had undertaken to provide an interim solutioneven, if necessary, by providing a Boeing aircraft on lease.

to Poland

U.S. sells

satellite

GTE International Systems Corporation of the U.S. has won an order to design and install a communications satellite station worth \$5m in Poland, A total of 85 per cent of the cost of the U.S. equipment and services are to be financed by a Export Import Bank credit, the first to be extended to Poland since the Soviet invasion of Afghani-

The station, which is to be located at Psary, 120 miles south of Warsaw, is planned to be operational in the summer of 1981 and will the first direct communications between Poland and North America. The station will operate as part of the International Telecommunications and will be able to receive and transmit television, telephone and telex communica-

The Exim bank financing for the contract, which was awarded by Unitra, the Polish foreign trade enterprise, is to be paid over eight years at an annual interest rate of 8 per cent. Repayment in 16 'semi-annual instalments due to begin six months after completion of the station The Soviet Union and Pakistan have signed agreement for the manufacture of Russian tractors in Pakistan, AP-DJ reports

Comecon-Soviet trade

agreed to increase the value of its trade with each of its Comecon trading partners ex-

lated the price it charges its Comecon customer by taking the average world oil prices for the five previous years. Under this system, the Comecon countries this year paid about 25 per cent lass than the world market price.

The 1980 Comecon protocols showed that trade with East Germany is to reach a value of Roubles 9m. an 11 per cent increase over trade in 1979 which was Roubles 8,13bn.

cent increase over 1979 trade at Roubles 6.56bn. Trade with Bulgaria is to reach Roubles 6.6bn, a 2 per cent increase over 1979 (Roubles 6.49bn).

The Soviet Union's trade with Poland, at Roubles 7.56bn, and with Romania (Roubles 2.15bn) in 1979 are also expected to rise this year but no figures have been given for the agreed

to increase

cept Cuba this year, but much of the increase may be the result of higher prices which Comecon customers will have to pay for Soviet gas and oil. The Soviet Union has calcu-

Trade with Czechoslovakia is

The Soviet Union's trade protocol with Cuba, which was apparently agreed much later this year than last year, called for trade turnover of about Roubles 4bn, nearly the same level as last year.

Downturn seen in capital investments

By Lance Keyworth in Heisinki

THE PULP and paper industry must now re-examine its strategic assumptions on marketing and investment conditions in order to adapt to the new conomic climate caused by inflation and high energy costs, a world pulp and paper confer-ence was told yesterday.

The conference, sponsored by The Financial Times and Helsingin Sanomat, the Finnish daily newspaper, heard a wide range of short-term views on the state of the industry by many of the industry's senior

Mr. Arthur Harrington, executive vice-president, finance, of the International Paper Company (IPC) of the UK, said that. energy costs have risen from \$13 per tonne in 1972 to \$52 per tonne in 1978 on average.

be many major capital investments in the 1980s—" they put tremendous strain on the debt-carrying capacity of even the largest companies."

the most innovative products same rate, for this would ultiand processes have always had competitive edge. capital costs rising, future innovation "may spell the difference between being in business or out of business."

solutions for raising the capital and paper production. needed for financing investments, such as "financing a tion that Finland's production project in pieces," increasing of pulp for the market would debt-to-equity ratios, and more gradually cease. joint ventures between forest products companies and custo- must use your head as well as

Prof. Peter R. Odell director ing our head in the sand by of the Economic Geography discounting pulp exports."

WORLD **PULP** and PAPER

Institute of Erasmus University, Rotterdam. He suggested that the continuing failure of the Western nations "to produce as much oil and gas as possible may bring a feeling of satis-faction that their reserves are being conserved to ensure some residual warmth and lights in a 21st century world which the fear of energy scarcity suggests will otherwise be berfet of usable resources.

"However, there is no real evidence of such scarcity of resources," he said.

Mr. Gay Ehrnrooth, managing

He suggested that prices Companies able to develop should follow cost rises at the mately rebound to the benefit of both the consumer and the industry.

He pointed out the increase of production in the developing areas outside the OECD is

And he countered the sugges-

"If you want to run well, you your feet. A competitive pulp Energy costs entered into industry is an integral part of every speaker's presentation, but our paper industry's competiwere dealt with in detail by tiveness. We would be bury-

FINANCIAL TIMES

CONFERENCE

director of Wilh. Schauman of Finland, said the pulp and paper er tonne in 1978 on average, market is probably passing He added that there will not through a cyclical peak, and the sector should be prepared to cope with changing market conditions by the end of the current year.

Mr. Harrington suggested minute in terms of global pulp

foreign currencies, the ECGD's facilities in this field will continue to be available. Mr Cecil Parkinson, Minister for Trade, announced the move yesterday in a written answer to a parliamentary question.

The Export Credits Guarantee the Export Credits Guarantee Department of requiring fixed rate export finance for large export contracts to be provided in currencies other than ster-ling," Mr Parkinson said.

ECGD changes foreign currency policy

When it was introduced three years ago, this policy had a number of advantages. Particularly important were the public expenditure savings achieved by reducing the amount of sterling refinance that the Government had to provide," he said. "I recently announced the withdrawal of this refinancing faci-lity for new sterling business so that there is now no public expenditure argument for requir-

eign currency." The Government had there-fore concluded that a mandatory policy for foreign cur-rency financing need not be maintained. Consequently, the ECGD would no longer require exporters to finance large export contracts in foreign cur-

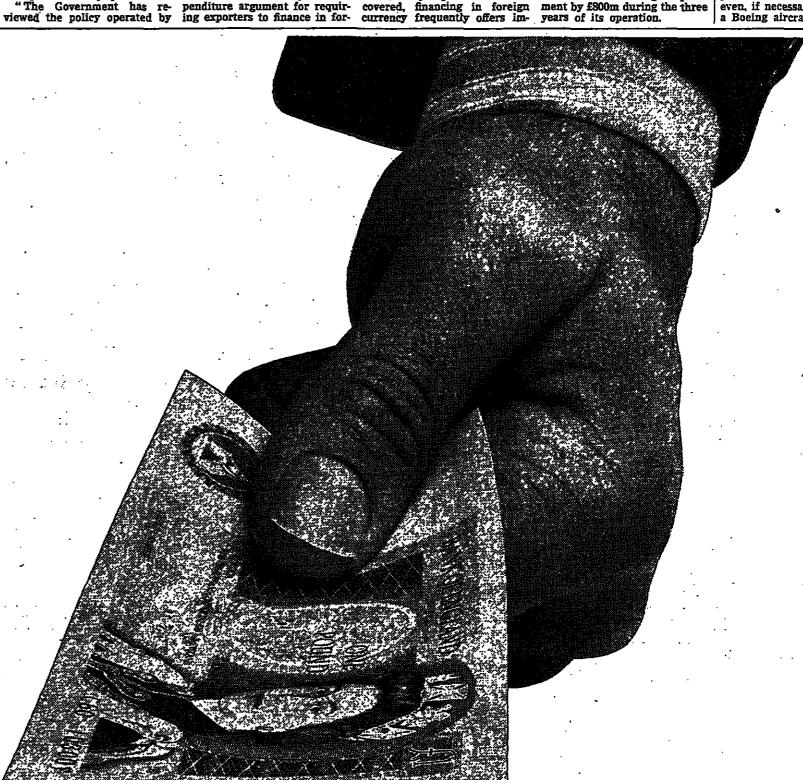
"Nevertheless, ECGD facilities in support of foreign currency financing will still be available and I hope that exporters will continue to use these to the full," Mr Parkinson said.

"As many exporters have dis-

I feel sure that it will continue o play an important role in our

Since the foreign currency scheme began, 160 ECGD-backed foreign currency loans (mainly "buyera credits"), worth \$5.5bn (£2.47bn) have been concluded, the Trade Department said. Unlike sterling koans, foreign currency trans-actions had not entailed refinancing.

The foreign currency scheme had therefore helped reduce public expenditure and the public sector borrowing require-



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BY RAY DAFTER, ENERGY EDITOR

Sea gas pipeline network, prob-Gas official.

British Gas and Mobil showed provide of the chemical products. construction would additional flows of gas in 1984/ 1985, he told a London conference on UK energy projects. organised by the Offshore Centre.

The Government is understood to be examining ways of financing and operating the should be run by a private from Basingstoke, Hampshire, sector "utility," a consortium writes Ray Dafter. of private companies. Mr. Lamont, speaking generally of Government policies, said it was intended that the North Sea should be a "shop window for free enterprise."

Mr. Geoffrey Roberts, British of the details of the pipeline scheme, which he described as "the biggest single offshore venture attempted in the world." The pipeline would collect gases from fields as far it was a commercial find. apart as Magnus in the north

THE construction of a North could be linked to the system. The main trunk line would ably costing between £1.1bn and join the north-south feeder in £1.5bn, seems certain to quadrant 16, close to the receive Government approval Phillips consortium's "T" block this summer. Endorsement of which contains the Thelma, likely nine platforms would have the ambitious scheme came Toni and Tiffany fields. This yesterday from an Energy feeder line would probably come Minister and a senior British ashore at St. Fergus, north of Peterhead, in Scotland. In view Mr. Norman Lamont, Parlia. of the large amounts of natural mentary Under-Secretary of gas liquids which would be State, said a feasibility study by carried, buffer storage might be needed. Ideally, there should the project was "economically also be an all-weather port It was likely that the facility to handle some or all

Hampshire 'oil' discovery

AN OIL exploration group, led Petroleum (28.125 per cent) by UK independent company Carless, Capel and Leonard, has pipeline. One idea is that it made a discovery five miles

The group confirmed yester-day that it had found "indications of hydrocarbons" below 3,000 feet in a well being drilled in a field close to the A32. While Carless would not say whether it had found oil or gas, it was Gas Corporation's member for thought in the industry that the external aiffairs, revealed some reservoir is more likely to con-

> Carless said it was continuing to drill to 6.000 feet and added that it was too early to say if

Interests in the production to Fulmar in the south, a span licence (number 116b) are Carwith perhaps £5m or more off-of 400 miles. Initially 12 fields less (28.125 per cent), Marinex shore.

Mr. Roberts detailed other pioneering projects planned by British Gas: • The development of the Irish

Sea Morcambe gas field. It was to be installed. For the first time in Europe the developers would use a slanted drilling technique, needed because of the shallow nature of the field. • The use of the North Sea Rough gas field as a producer in winter and a natural storage vessel in summer. This was the only project of its kind in the

Cambrian Exploration, part of the Candecca group (25 per cent), and Hadson Oil UK Onshore (18.75 per cent). The discovery is some 60 miles from the British Petro-

leum-British Gas group's size-able oilfield at Wytch Farm, Dorset, which is expected to boost U Konshore oil production levels to about 20,000 barrels a day by the mid-1980s compared with the present level of 3,500. Onshore exploration is receiv-

ing increased oil industry attention because of the uncertainty of future fuel supplies, rising oil prices and the relative cheapnes sof exploration wells. An onshore wel lcosts between £250,000 and £500,000 compared

Rolls-Royce given £180m aid

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

is short-term needs. A new longer-term financial plan will costs in sterling. be prepared later.

year and into 1980 because of part from new equity capital.

ROLLS-ROYCE, the State-owned sterling's strength against the

Part of the cash will come The money is needed partly from loans fro mthe private to help continue financing the capital market, part from a development of the new Dash reduction in the amount of levy 535 RB-211 engine, and partly the company pars the Governto offset losses incurred last ment on each RB-211 sold, and

aero-engines group, is to dollar. The company prices been persistent report that receive a further £180m in many of its engines in dollars the company will report a subcash support this year, to meet but incurs is manufacturing stantial loss for 1979 when its accounts are issued soon, because of its exchange rate problems.

> The company is expected to return 10 per cent on capital employed by 1981, but this may

Retail sales fell by 1.1% in March

RETAIL SALES in the UK are dropped 1.1 per cent in volume fairly buoyant in spite of the compared with February. This retail activity seems to be assoemerging recession. The volume took the Department's season-ciated with continuing large of spending in the shops fell ally adjusted index of monthly increases in earnings, which expectedly high levels of Feb-same as in January, against of over 20 per cent, slightly ruary, but was still appre- 104.1 in February.

above the level of retail price to the surprise of retailers, who pared with the final quarter of of the Retail Consortium, which expected a decline in trade in 1979. Compared with the first represents the bulk of retailers the first few months of 1980. Department of Trade showed and strikes—the rise was 2.6 reporting the sort of volume

quarter last year—when trade said he was "baffled" by the

The relative buoyancy of from the un- sales to 103 (1976=100), the are running at an annual rate

Mr. Richard Weir, director Provisional figures from the was depressed by bad weather figures. Most retailers were not

Insurers seek gains tax change

THE Life Offices Association is seeking an amendment to the Finance Bill's propoals on capital gains tax relating to authorised unit trusts and investment trusts.

avoid retrospective charging of capital gains tax in certain circumstances when unit trusts are sold, it wants a value for unit prices established as at the date of the Budget, so that tax computations may be derived from

The Budget proposes to lift tax from unit-holders' first £3,000 of gains on selling, then make them liable to full capital tax. Life companies, in some circumstances which. are unit-holders, say they must increase their reserves to meet a potential liability of 30 per cent, against the previous assumption of 20 per cent.

More 'top' banks

THE Bank of England ha added 18 names to its list of "recognised banks," the senior banking category under the Banking Act, 1979. They include the Bank of America, Bank of Ireland and Bank of Nova

Import curb drive

THE Transport and General Workers' Union is campaigning to generate support among shop stewards, the Shadow Cabinet and the general public for selective import controls.

Claim for £70

A £70-A-WEEK minimum wage and a 35-hour week have been adopted unanimously as policy by the Union of Shop, Distri-butive and Allied Workers' national conference at Bournemouth. The vote represents a victory for the broad Left.

Granada's appeal

THE COURT of Appeal has reserved judgment on Granada Television's appeal against a High Court order that it must name the British Steel Corporation employee who disclosed confidential documents.

THESE reports and those on this page relating to retail sales and to Rolls-Royce were prepared for yesterday's editions but failed to appear as a result of an industrial dispute that led to the loss of the Financial Times' produc-

Labour likely to make substantial election gains in the cities

THE FIRST national test of currently led by Mr. Jack Smart, listed the council as 'under public opinion for the first of Wakefield. Tories are pressure" — Central Office year of Prime Minister expected to remain in control parlance for "lost cause." Government comes with the associations. markedly "red" result, with Labour making substantial gains, particularly in the large conurbations.

the electorate are likely to stay away from the polls because of councils are having elections, support is very strong in certain apathy and disillusion. That is and because there have been wards and the Liberals may

The central offices of the two elected. main parties have tried to set the tone of the elections against metropolitan districts there will City politics after 14 years to the background of the national be elections in 103 non-metro- join Mrs. Thatcher's adminisand Saatchi have given the Tories two slogans for the price of one with "Help keep Tory

Neither seems to be having a particularly dramatic effect in last year's local elections Canvassers from all parties weary of both slogans and economic ills.

All sides agree, however, that it is the Labour Party which is likely to win the big prizes, largely because it is considered sure to regain some of the more extraordinary losses incurred in 1976 and 1977 when the Labour's Government Was especially

Labour victories should be particularly marked in Scotland and in the English metropolitan right wards unexpectedly would rate was fixed. districts. This would return give Labour control of the However, the rise of the gen- England repeats the regional Labour to the control of the Wirral. Different opinion polls eral rate of 44 per cent, the polarisation between the parties influential Association of Metro- put the Labour Party currently highest in any metropolitan which showed itself at the last politan Authorities, which repre- anywhere between 3 and 8 per district, may have been too two general elections. Labour sents London and the big cent ahead of the Tories. conurbations, and negotiates with the Government on their Dudley but Tory chances of fident of a good margin of con-

In July, therefore, Sir Godfrey significantly improved by the talking of only a two-seat any gain anywhere in the pre-Taylor, who has been leading inability of the Left to work majority. The Tories are grow-dominantly Conservative South the fight against the Govern together. The Labour party ment's plans for local govern- split has produced candidates they may gain control of a Liberals look like doing well ment reform, is likely to be of both right and left wing council they would otherwise where they traditionally have handing over leadshirp of the factions to the delight of the have expected to lose.

done so, but find it increasingly association to the Labour group, Tories who had previously

Thatcher's of all the other local authority

That apart, interesting metropolitan council local elections in England and This year matter are complipolls will be in Leeds. Liverpool Scotland tomorrow. There is cated by the fact that not all and Wolverhampton. Liberal little doubt it will produce a

> Robin Pawley looks at the prospects of the three main political parties in tomorrow's local elections—the first national test of public opinion for Tory policies.

some boundary changes. In tions, which tend to work someonly a third of the council of power rather than letting against the party in governis due for election, in others Labour have the victory it is the whole council will be expecting. Either way, the

In addition to the 36 English

control of at least 30 of the If there were to be no further in Bolton, Bradford, Calderdale. average. Kirklees, Oldham, Rochdale and

Walsall.

emerge still holding the balance result will be disappointing for Lord Bellwin, who left Leeds

economic climate which has politan English districts and all tration as a junior minister for produced a rates-against-cuts 53 Scottish districts. There are argument. Labour's rallying call is "Stop the Tory Vandals — Vote Labour," while Saatchi have given the company of the a Labour minority currently rules by consent of the other Labour hopes to finish with of one with "Help keep control of at least 30 of the parties. Labour may prove to Britain out of the Red-Vote English metropolitan districts have ben over-confident in a

swing to Labour than occurred history.

Wolverhampton is possibly waster local elections Wolverhampton is possibly city with a volatile voting (when there was an extra- the most fascinating contest inreport that the electorate is ordinarily high turnout because volving rates and the Governlocal polling coincided with ment's campaign to persuade policy. general election day) the results electors to reject councils which in the metropolitan districts spend beavily and raise the would leave Labour with gains rates far above the national

The present council is 30 Tories, 29 Labour and 1 Inde-An additional 1 per cent pendent ratepayer. It is in effect swing would add Birmingham to run by Labour which needs to the list. Liverpool should go gain only one seat to take Liberal performance, and an was thought to be a foregone extra 6 per cent swing in the conclusion—until the 1980-81

holding on there have been trol a few weeks ago are now Mr. Michael Heseltine, En-

vironment Secretary, has staked his credibility on the premise that the electorate does not want or like high spending councils. Good Tory showings in Wolverhampton and Liverpool would add weight to his

Thursday and anything more will be a bonus indeed.

In the non-metropolitan councils Labour expects to take control of a further 13 authorities which are either Tory-controlled or have no overall control. They are Amber Valley (Derbyshire), Basildon, Blackburn, Cambridge Corley, Crewe and Nantwich Hartlepool, Oxford, Preston, Swale (Kent), Tamworth (Staffordshire). Thurrock (Essex)

The Liberals are displaying their usual inexhaustible confidence and talking again in terms of a revival. If such a revival is really going to materialise, it is more likely to do so next year than this. It is rather early in the Government's life for disgruntled Labour but that depends on the majority control. That result Tories to start registering their dissatisfaction by casting a

Of the 36 metropolitan districts only Bury, Sefton, Solihull, Stockport and Trafford look safe for the Tories on

The two main parties are largely campaigning with national policies and issues in mind. The Liberals, however, take a much more regional and local view, believing that local issues should be the meat of local government - although this year they are putting considerable emphasis on the cen-Government's housing

Liberal vote locally. Analysis of the trends in much for the electorate. Even support is solid in the conurba-Labour should also take Labour officials who were contions of the North and Midlands. Apart from Swale in Kent, Labour is not expecting ing increasingly confident that East, South or South West.

CBI INDUSTRIAL TRENDS SURVEY

Further decline in manufacturing demand and output

fident.

is expected. :

months.

in July 1977.

sector.

downward trend of the present

cent in January. This is the

worst result since the question

was first asked in vilume terms

reflected in answers

industry was busy recovering

the June Budget.

Although below - capacity

panies, i thas now spread quickly

The volume of stocks, raw

plies, and work in progress, is

reported to have fallen over the

past four months. It is expected

to decline further in the coming

period. The steel strike has hit

the ferrous metals industry par-

The CBI says there are indica-

tions that "finished goods stocks

are now becoming excessive_for

panies, despite expectations

that " at least part of the stock-building has been involuntary."

limiting output, and is now

shortages are cited by only 10

CBI Industrial Trends Survey.

reported by a record 85 per cent

A shortage of orders or sales

ticularly sharply.

total order books.

Recovering

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A DECLINE in activity in manu-motor vehicles and ferrous facturing industry, with lower metals. utili**s**ation, lower demand and lower output, was reported yesterday by the Confederation of British Industry in its quarterly industrial trends

Demand and output are Electrical and mechanical expected to decline further in engineering are the most conthe next few months and lower levels of employment are forecast by a substantial proportion of the 1,843 manufacturing companies responding to the survey. There has also been a widedeterioration corporate liquidity, and further

weakening is expected. Outimism about export pros-pects has continued to decline, not to the same extent as in the previous nine months. There are also signs that export orders and deliveries will not weaken much further in the next quarter than was predicted three months ago.
Prices are the main constraint

to export orders. Investment intentions have remained stable at the low levels forecast in

Disruption

The survey was conducted during the first half of April. This meant that most respondents knek the contents of the Budget and were also aware that the steel strike was ending.

The disruption caused by the strike to about a quarter of manufacturing industry affected some replies, but the CBI believes the results show "there is a distinct weakening in the underlying trend for demand, particularly in the consumer goods sector." Questions corporate

liquidity are included in the survey exery six months. Companies are asked to compare their position with a year earlier and to forecast changes over the next six months. The results show a widespread deterioration over the pst year,

with the trend worsening significantly since October. Worst hit are intermediate industries, especially companies in steel and consumer goods. In addition, the largest companies employing more than 5,000 people have experienced the

sharpest deterioration. A similar pattern is expected up to October. The CBI says that "the magnitude of the deterioration" is the worst deterioration" is the worst since October, 1974.

Companies are also asked plan to take. Nearly one in five companies intend to cut back on stocks, while one in ten plan to reduce capital spending. However, only about 1 per cent plans to raise prices for liquidity

Falls

The worsening employment position is shown by a steadily rising number of companies reporting that they have employed fewer people in the past four months and expect further falls in the next four

With 51 per cent of companies reporting a decline, and only 8 per cent reporting an increase, the balance of com-panies with smaller labour forces has risen from 20 per cent last October to 31 per cent in January and 43 per cent in this survey. Forecasts of a decline in the

coming period show a similar increase in the balance from of respondents. Skilled labour 25 per cent in October to 35 shortages are cited by only 10 per cent in January and 40 per per cent cent this month. Industries most involved in April, 1980. No. 76. Full Results

shedding labour include ship- annual subscriptions £90 (CBI building, consumer

man-made fibres, members £40), 21 Tothill Street,

Zaire residence case ruling

THE REPUBLIC of Zaire is serve a writ outside jurisdicwrit claiming £14,696 allegedly appeal. due for repairs to its Ambassador's residence in Bishops Avenue, Hampstead, the High Court ruled vesterday. munity under the State Immun

Zaire pleaded absolute FIRMISTUM PICA immunity under the State THE GOVERNMENT has been Immunity Act, 1978. But Mr. the builders, and the republic Place, was granted leave to but name."

not protected by sovereign tion of the English courts. The immunity against issue of a republic was given leave to

Finniston plea

asked by the Freedom Associa-Justice Lloyd said the repair tion to reject aspects of the contract between Plantmount, Finniston Report which "would tend to lead to effective was signed 10 months before licensing of the engineering the Act became law, and the profession." The association repairs were of a private nature. said the report could give the Plantmount, of Hyde Park profession a "closed shop in all TOTAL TRADE

1.843 respondents. All figures are percentages on a weighted sample. Figures in parentheses show the response to the survey carried out

Are you more, or less, optimistic than you were four months ago about the general business situation in your industry (5) (46) (50)

Yes

adequate Adequate adequate

77 20 1 2 75 21 3 1 (75) (22) (3) (—) (22) (29) (2) (1)

More Same Less N/A Do you expect to authorise more or less capital expenditure in the next 12 months than you authorised in the past 12 months on: (a) Buildings (12) (35) (42) (11) (b) Plant and machinery ... " (35) (41) · (1)

Overall business confidence Is your present level of output below capacity has continued to decline, with (i.e. are you working below a satisfactory full less optimism being apparent in rate_of_operation) broad sectors such as textiles

and metal manufacturing and Excluding seasonal variations, do you consider that in volume terms: in food, drink and tobacco. normal normal (a) Your present total order Investment intentions have (47)(7) changed little over the past Less than More than three months, although the

(b) Your present stocks of finished goods are investment cycle is still (22) New export orders are re-Excluding seasonal variations, what has been the trend over the ported to have risen over the past four months, and what are the expected trends for the next four months, with regard to: past four months for a number of industries including con-Trend over past - Expected trend over sumer chemicals, non-ferrous metals, instrument engineering,

four months. next four months
Up Same Down N/A

8 41 51 — 7 45 47 —

(9) (51) (40) (—) (7) (51) (42) (—) other vehicles, hand tools and Numbers employed implements, and in furniture and upholstery. There is also an indication of some improve-Volume of total new 17 37 43; 4 14 47 35 3 (17) (44) (35) (3) (12) (49) (36) (3) ment in the next four months because a slower rate of decline of which: 15 39 42 4 13 50 24 3 (18) (46) (32) (4) (11) (56) (25) (4) Domestic orders However, a record 79 per cent of exporting companies say prices are the most important constraint to obtaining new 19 48 33 — 16 54 39 — (21) (55) (22) (1) (14) (59) (25) (1) 18 43 37 1 17 49 32 1 (21) (50) (27) (2) (16) (48) (33) (3) orders. Export prices have been deliveries rising faster in the past four Stocks of: (a) Raw materials and The number of companies brought in supplies 16 50 33 2 16 35 33 2 (21) (52) (24) (3) (9) (54) (33) (3) reporting a decline in the total volume of new orders at home and abroad has increased. A balance of 26 per cent say their 15 51 25 9 10 54 28 9 (17) (58) (17) (8) (8) (59) (24) (8) position is worse rather than 26 39 21 14 13 47 26 14 (21) (50) (15) (14): (12) (50) (24) (13) better compared with 18 per

Average prices at which: Domestic orders are booked A lower intake of new orders 61 24 4 1 59 37 3 1 (58) (37) (3) (3) (66) (30) (1) (3) is most apparent in textiles for the second survey running, although weaker demand is also Approximately how many months' production is accounted for by your present order book or production schedule: becoming significent in the chemicals industry and in the 7-9 10-12 13-18 than 18 N/A coal and petroleum products 13 4 2 4 2 18 (14) (14) (13) (3) (15 (2) (2) (18) Producers of intermediate

Average costs per unit

of output

What factors are likely to limit your output over the next four and consumer goods are facing the poorest demand and this is months: questions about the volume of Orders Skilled Other Plant Credit or or comlabour . labour capacity finance punents Other 7 5 6 (8) (13) (82) (13)(2) (6) More than Less than

Recovering
There has been a general reduction in capacity utilisation with 70 per cent of participants over the next 12 months is your present fixed capacity adequate Adequate adequate (51) This compares with 51 per cent in July last year when. What are the main reasons for any expected capital expenditure authorisations on buildings, plant or machinery over the next 12

months: To expand from the road haulage dispute To increase and from the bad winter. It capacity For replacement - efficiency Other N/A was also responding to increased 17 consumer spending caused by What factors are likely to limit (wholly or parily) your capital expenditure authorisations over the next 12 months: working remains most common in intermediate goods com-

including: net Shortage Inability Uncer managerial into consumer goods industries. to raise Cost tainty and Other l external of about techni- (please return on of. proposed internal external materials and bought-in supinvestment finance finance finance demand cal staff specify) N/A (21) (2) (31) (20) (41) (5) (2)

> EXPORT TRADE Companies completing these questions have direct exports exceeding

Are you more or less optimistic about your export prospects for the next 12 months than you were 12 months ago... an increasing proportion of com-(7) (55) (37) (1) which have apparently been Excluding seasonal variations, do you consider that in volume terms: frustrated, of reductions in finished stocks." This indicates Above normal Normal Your present export order book is 13 (8) (45)remains the most like factor

Excluding seasonal variations, what has been the trend over the past four months, and what are the expected trends over the next four months, with regard to: Trend over past Expected trend over four months next four months
Up Same Down N/A Up Same Down N/A Volume of total new export orders 21 44 31 4 19 54 25 3 (16) (48) (30) (7) (15) (52) (27) (7)

finance restrictions abroad 6 10 34

deliveries 24 47 27 2 21 58 19 2 (20) (47) (28) (5) (18) (50) (27) (5) Average prices at which export orders are 52 37 9 2 43 50 6 1 (44) (46) (7) (3) (56) (38) (3) (3) What factors are likely to limit your ability to obtain export orders Delivery import economic (compared with over-Credit or licence conditions seas competitors)

Tests diagnose lupus disease

NEW BLOOD tests enabling Addressing the ment for lupus disease, which usually attacks women of childbearing age, mean that need no longer die.

Volume of export

early diagnosis of and treat. Arthritis and Rheumatism Council meeting, Dr. Graham Hughes, a consultant rheumatologist, of the Royal Postthousands suffering from an Hammersmith, said most often fatal form of arthritis patients could now look forward to a normal lifespan

Lonrho's Lords appeal ends abruptly

The Lords asked for the com- and BP.

House of Lords ended abruptly yesterday, when the Law Lords told Shell and BP's lawyers they need not answer Lonrho's claim to see the oil companies' submissions and evidence to the

Bingham inquiry. Crown counsel was not asked to defend the Government's decision to claim that disclosure would be against the public

The Lords indicated they regard to the Mozambique officer oil companies is awaiting would give their judgments in subsidiaries, the next 10 days. If correct If correct Louisto will have outcome of the arbitration. The companies' lawyers were to make do with the 180,000 or . The principal issue in both confident after the hearing that so documents the companies proceedings is whether the they had also succeeded in have produced so far. companies conspired with the

defeating the other section of Lourho's appeal. This was to compel disclosure of documents seem of the compel disclosure of documents seem of document issue was only then illegal regime in Rhodesia.

The document issue was only then illegal regime in Rhodesia and preliminary skirmish. The to maintain oil supplies during the document issue was only then illegal regime in Rhodesia.

The document issue was only then illegal regime in Rhodesia and preliminary skirmish. The to maintain oil supplies during the documents of documents seem of documents seem of documents seem of documents seem of documents of subsidiaries in South Africa, begin hearing in private it suffered milions of pounds Rhodesia and Mozambique.

Lourho's claim against Shell damage because of the integed conspiracy and plieged breach panies' submissions only in Its legal action against 27 of contract.

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laton, Beds.

Laker wins right to fly Gatwick-Miami

independent airline, has won standby single of £108; a super the right to fly between London apex rate of £287.50 return and Miami. It becomes the second British airline on the (June 15-July 31 and September route after British Airways.

has rejected an application by Air Europe to fly the route. Sir Freddie Laker, the air-

he was delighted with the decision. His ariline has been refused several other important months, including Hong Kong, which went to British Caledonian Airways donian, and many new shorthaul European destinations.

- However, Laker Airways was denied rights to fly to Miami a week each way, using Boeing from Manchester and Prestwick. 707s initially, and DC-10s, which It plans to start flights to take more passengers, as soon Miami from Gatwick Airport, as traffic justifies them. London, on May 22, with three services weekly each way, using stand-by rate of £99.50 single, DC-10s. Laker already flies but a "Bottom Dollar" advanceregular charters to Miami seven times a week.

The operation will follow the during the peak summer Skytrain pattern, with 120 seats months. on each flight being offered for no-reservations, first-come-firstserved passengers.

The cheapest Laker single (Skytrain) fare will be £87 in the off-peak season, and £99 single in the peak period, from June 15 to September 30. Economy class rates will be \$130 single from October 1 to June 14, rising to £160 in the peak period.

There will also be an excursion fare of £198 return from October 1 to May 31, rising to £229 in the periods June 1 to 30

Airways (April 1-June 14), £295 return 1-October 14) and £310 return The Civil Aviation Authority (during August); and an existed an application by economy class rate of £218.50 single.

On the U.S. side, Pan line's chairman, said yesterday one of two U.S. operators oo the route, flying between Heathrow and Miami, but a battle is under way to find a second U.S. airroute applications in recent line to fly Gatwick-Miami in

today between Gatwick and St. Louis. It will operate four times

The cheapest fare will be a stand-by rate of £99.50 single, purchase rate of £148 single (£296 return) will be available

RAF orders 18 Hawk trainers

THE RAF has placed an order with British Aerospace for another 18 Hawk trainer and ground-attack aircraft, worth about £45m. The RAF has ordered 175 Hawks, of which 130 have been delivered.

British Aerospace will export a further 71 Hawks, to an undisclosed African country about and September 16 to 30, and to to start. Total sales of the 2270 between July 1 and Sep. Hawk, which is powered by the Rolls-Royce Adour Those compare with the engine, have reached 264.

Monopolies Commission to investigate water costs

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE SHARP rise in water rates said yesterday that the new inthis year has led to a major vestigation had been launched investigation into the operating "because of widespread coninvestigation into the operating costs and efficiency of the UK's sumer concern about the charges second largest water authority. Severn-Trent Water

Authority, which supplies water service to more than 8m people in an area covering the Midlands and parts of Wales and the West Country, is to be investi-gated by the Monooplies and Mergers Commission.

The inquiry will be carried out under the new Competition the same water authority twice. Act and follows a smilar investi-gation ordered by the Government into British Rail's South-

levied by water authorities."

Severn-Trent Water Authority was chosen as the test-case mainly because of its The largest water authority, the Thames authority. had been investigated previously by the Price Commission and it was considered unfair to chose

It is also understood, however. that the Severn-Trent authority eastern commuter services. has received a considerable Mrs. Sally Oppenheim, number of consumer complaints Minister for Consumer Affairs, about its billing procedures and

the level of charges. Most of the ten regional water authorities in England and Wales, set up by the 1973 Water Act, have also received many complaints over the rise in

charges this year. The Monopolies Commission reference has been made under Section 11 of the new Competition Act and is due to be completed within six months. But the Commission can ask for a three-month extension if neces-

Sary.

The investigation will also cover the East Worcestershire Waterworks and the South Staffordshire Waterworks Co., which operate in association with the Severn-Trent Water Authority.

Move on theatre price fixing

BY OUR CONSUMER AFFAIRS CORRESPONDENT

A PRICE FIXING agreement between West End theatres and February 1977.
ticket agencies is to be referred But the Director-General of

to the Restrictive Practices

trated by the agreement. Under present legislation, restrictive trade agreement is case will be heard until next not unlawful if it is on the year. register of restrictive practices. The agreement's main restric- ciation and the Associ The Society of West End tions include price-fixing relat- Independent Libraries.

By Our Consumer Affairs Corr. Theatre registered agreement ing to the discount allowed to with certain ticket agencies in

Fair Trading has the power to Court, the Office of Fair Trad- ask the Restrictive Practices better terms to any selling ing said last night. Court to rule whether the agency other than The move follows widespread agreement is against the public to the agreement. Court to rule whether the agency other than those party concern that West End theatre interest. The Director-General prices may be higher than has issued a Notice of Refernecessary and that attempts to ence, which will bring the offer lower prices are frus- agreement before the court. However, its backlog of cases means it is unlikely the new

agencies and the booking charge an agency may levy on tickets:

It prohobits theatres offering

The society's standing recommendations also restrict the advertising of classified theatre announcements to newspapers on a recommended list.

The ticket selling agencies are represented by the Combined Theatre Libraries Association and the Association of

Antony Gibbs forced out in Brae bid of City banking club By Ray Perman, Scottish Corresponden

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

ANTONY GIBBS, the small like all committee members. subsidiary of Hongkong and Shanghai Banking Corporation, Bank of England. is being forced to resign. The committe from the Accepting Houses decided to review Members of the committee,

ing club, decided that Antony Gibbs would have to leave once it became foreign-owned. Sir Philip de Zuleuta, chair-

Hongkong and Shanghai was

based in a British colony, and therefore ought not to have seas banks. been classified as a foreign

City merchant bank which is enjoys the right to have about to become a wholly-owned acceptances (bills of exchange) drawn by its customers on the

The committe has also decided to review the position of Singer and Friedlander, another of its members, in the the elite City merchant bank- event of its parent, C. T. Bowring becoming controlled by Marsh and McLennan, the U.S. insurance broking group. Completion of this deal is ex-

man of Antony Gibbs, said pected to result in the sale of yesterday the committee's Singer and Friedlander to decision was "a retrograde another company. Interest has sten" already been indicated by several potential purchasers, including European and over-

An EEC bank takeover could tinue to offer Marathon design lead to a conflict with EEC com-Loss of membership will have petition rules if the committee ment. few consequences for Antony was to force Singera nd Fried-Gibbs, since its new parent, lander to resign its membership.

French group

UNION Industrialle et d'Entreprise (UIE), the French group which completed its takeover of the Marathon rig building yard at Clydebank yesterday, hopes to win the contract for the Brae Field steel production platform

The group is understood to have submitted a tender for the Brae jacket. Work would be split between Britain and France

in the next few weeks.

Clydebauk has insufficient waetr depth to launch a big North Sea structure, so main assembly work and launching Singer and Friedlander to would be done at UIE's yard in Cherbourg. UIE wants to introduce

fabrication of fixed platforms to Clydebank to diversify the workload. Clydebank will continue to offer Marathon design expert Arab linguist. Much of rigs under a licensing agree-

Services given pay awards of 14.5-20%

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

and 20 per cent for members of the armed forces have been accepted by the Government. They wil ladd £290m to the overall pay bill.

The rises, back dated to April i, have been recommended by the Armed Forces' Pay Review Body. They increase a brigadier's Salary by £3,000 to £18,250, and put a fully-qualified private on £5,011 a year, a rise of about 15 per cent The rises mean that, with

ment on its taking office last year, the forces have been given increases of up to about 50 per cent in two years, to bring their pay up to levels comparable with those in civilian life. The current award is 17 to 20

those paid by the Tory Govern-

to rank and length of service. per cent for corporals and

The Review Body, under its chairman Sir Harold Atcherley,

Major†

Colonel†

Captain‡

Lieutenant

Sergeant (Band 5)

Corporal (Band 2)

Private (Band 2)

FORCES PAY COMPARISONS

New Rate

(£ per annum

18,250

11,994

16.962

9,136

All rates vary widely according to length of service, time in the

Energy post for Maitland

† After eight years ‡ after six years; § after 4 years.

BY RAY DAFTER, ENERGY EDITOR

SIR DONALD MAITLAND, one

of Britain's leading diplomats,

is leaving the Foreign Office to become Permanent Under-Secre-

tary at the Department of

The appointment, announced by the Prime Minister yesterday,

is significant for it emphasises

the importance of energy—in

particular for the UK, North

Sea oil—in international rela-

Sir Donald, aged 57, and cur-

and Commonwealth Office(is an

spent in the Middle East. He

Energy.

PAY RISES of between 14.5 life at equivalent levels, the Services' ability to recruit and in particular to retain will once again be put in jeopardy."

The effect of the Govern-ment's pay rises last year was marked. "It was apparent on marked. our visits to Service units that there had already been a significant improvement

morale." while recruitment had also improved, Sir Harold said. non-voting or restricted classes "Indeed, 1979 turned out to of shares and which do not be one of the best years for recruiting since the end of National Service in 1960."

the forces had dropped to normal levels. Many applications for discharge had been withdrawn in recent months. examine " fringe benefit " issue: per cent for officers, according in its next review. But in reach-

16 to 172 per cent for warrant account this time of a number officers and senior non-commistof such benefits, such as the sioned officers, and 141 to 15 value in private industry of company cars and low-interest mortgages.
The Review Body decided.

however, not to increase the "X stresses that "unless there is a factor." the percentage of pay continuing assurance that designed to compensate soldiers. armed forces' pay will be kept sailors and airmen for dangers broadly in line with pay in civil and discomforts of Service life.

Old Rate

(£ per annum)

15.251

14,175

7.799

was Ambassador to Libya in

He will succeed Sir Jack

On his return from Libya in

1970 Sir Donald was chief

Downing Street press secretary, serving Mr Edward Heath.

Three years later he was appointed UK Permanent Re-

See The Lex Column.

Back Page.

Rampton who is to retire from

the Energy Department and

60th birthday in July.

European Community.

1969 and 1970.

THREED, 1919 INTHER OUT IN	or suares and Anich do nor
e one of the best years for	openly describe them as such.
ecruiting since the end of	The publication of the list is
National Service in 1960."	the first stage in an all out battle
The rate at which men and	by the pension funds for basic
	democracy—one share, one vote
he forces had dropped to	—in company ownership.
normal levels. Many applica-	Institutions have been con-
	cerned for some years about the
	structure of company shares.
	Recently, the association
examine " fringe benefit " issues	
n its next review. But in reach-	
	still issued non-voting or
conside this time of a million	

Voting

rights for

all shares

THE National Association of

Pension Funds has published a

list of 40 companies which have

sought

The Ouotations Department of the Stock Exchange identified 86 such companies. The Data-Stream computer lists over 100. Of the total, 46 companies clearly note the restrictions which apply to each class of share, but the other 40 com-

panies do not. The association has published the list as the first stage of its attempt to force companies to

enfranchise all shares. One of the test cases is Lloyds Bank, which restricts any shareholder to 500 votes no matter how many hares he or she may hold.

For over a year the pension funds have been pressing Lloyds to abolish this rule and adopt a simple "one share one vote principle. Lloyds has now instructed lawyers to iron out the legal problems involved in the change.

The association is though to be awaiting the outcome of the Lloyds move before applying pressure on other companies. Details of the list can be obtained from the National Association of Pension Funds, Investment Protection Committee, Prudential House, Wellesley Road, Croydon, London CR9

Hampden Park stadium project public service shortly after his

THE BOARD of Hampden Park Limited, the consortium respon-sible for overseeing the redevelopment of Scotland's national football stadium, are compiling a lost of contractors interested in tendering for the main contract.

presentative to the United rently deputy to the Permanent Nations. Subsequently, he be-Under-Secretary in the Foreign came Ambassador and UK Per-Contractors should apply by May 14. Initial estimates put manent Representative to the the overall cost of the five-year project at £11.3m at April, 1978 prices. The work on site is expected to start in October.

Losses from household thefts up 22% in 1979

BY ERIC SHORT

INSURANCE companies last hold contents increased 22 per year faced record losses from thefts in private homes, according to figures issued yesterday by the British Insurance Asso-

Insured theft losses in 1978 rose 16 per cent from £81.2m to £94.5m, but thefts of house-

cent from £39.9m to £48.8m. accounting for more than half the overall losses. Commercial theft losses were

only 6 per cent higher at £7Em against £5.9m; Theft losses of money fell 4 per cent from £4.5m to £4.3m.

Salem setback

SHELL International Trading has suffered a temporary setback in its legal action against Oxford Shipping Company Inc. and its chief executive Mr. Frederick Soudan over the mysterious sinking of the oil tanker Salem in A High Court judge ruled

at a private hearing yesterday that Shell had not properly served Oxford Shipping with the writ in the action.

Burco Dean cuts

BURCO DEAN, the domestic appliance and kitchen furniture group, is to make about 160 of its 653 employees redundant. The company said measures were being taken to reduce costs as a result of a big decline in consumer spending and high interest rates.

Lancia check

LANCIA IS to contact all 40,000 registered owners of its Beta cars in Britain for rust and safety checks.' The move comes two weks after the company admitted it bad been helping dealers buy up badly-corroded cars which were later destroyed. More than 500 cars, mostly five to six years old, have been advance about £330m during the bought and crushed in the past year.

Tel: Lichfield 52335.

two years and Lancia believes a similar course may be necessary with another 500.

Freight venture NATIONAL CARRIERS, the

State-owned parcels and specialised distributor, is to start international freight operations after an agreement announced yesterday with International Express, a private freight forwarding company. The two companies have formed a partnership called International Carriers to give exporters and importers a new, integrated freight service.

Output forecast MANUFACTURING output

Scotland will drop to 49.9 in the final quarter of 1980 compared to 98.4 in the first quarter of the year (Base: 1975=100), according to a bulletin published yesterday by the Frazer of Allander Institute at Strathclyde University.

Homes scheme

THE Provincial Building Society said yesterday that it is setting aside £25m for home improve ments in the remaining part of 1980. The society aims to

For management seeking advice on asbestos problems Initial surveys and reports undertaken discreetly and

Highly disciplined site operations, planned in detail for minimum disturbance and using the most advanced asbestos removal or encapsulation techniques.

Problems with asbestos or other toxic substances. Talk to John Belcher, Managing Director, Envirocor Ltd., Langton House, Bird St, Lichfield, Staffs, WS13 6PY. envirocor ©

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Brussels, Belgium, Tel (02) 539.03.00, Telex 64317.

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crisis—we get inundated.

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but if you put in £1000 you

to 18.41% gross.

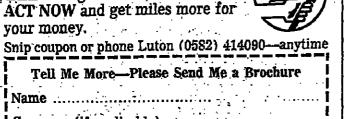
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even more–12.89%, equivalent

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agreed by NUR leaders

BRITISH RAIL

cluded a pay deal for its 180,000

executive of the largest union.

The NUR executive threw the

deal into doubt last week

Against the recommendations of

union negotiators, it rejected by

21-6 a two-stage settlement

which had been accepted by the

But yesterday, the executive

voted 25—3 to accept a rejigged

single-stage deal which was

drawn up in long negotiations

two other rail unions.

PM supported on EEC budget stance Revised 20% rail offer

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THERE WAS widespread sup- Minister, assured her that a agreement on other major

Mr. James Callaghan, leader tion of the budget.
of the Opposition, mildly criticised Mrs. Thatcher, say Thatcher's tactics came from the high in the lead up to the lead up Luxembourg meeting. Never-theless he believed she would fashion in which she had consucceed in the end "because she has the united support of the House of Commons on this

freeze on agricultural prices was Britain's trump card and promised that Labour would suport her in not giving way on this until the budget issue

BY PHILIP RAWSTORNE Margaret Thatcher's

withdrawal from Luxem-bourg yesterday evoked

something close to the spirit of Dunkirk in the Com-

The Prime Minister re-

turned, exhausted but un-

defeated, from the battle of

the budget to a fervently

But though she had been outnumbered, she had not

been outfought. Nothing had

been surrendered; the con-

tribution had not been com-

joined in a demonstration of

Callaghan

pressed on

sanctions

Party.

Ministers present.

the release of the hostages, but

because they wanted to demon-strate that the question was not

he did not criticise the Ameri-

cans for not having informed

the British Government before

launching the raid on Iran. This

failure to keep Britain informed

has, however, alarmed some of

his Shadow Cabinet colleagues

and added to the fears of some

Labour backbenchers that sup-

porting America on trade sanctions would only be the

beginning of a slippery road

which could all too easily lead

to military intervention.
Over 41 Labour MPs have

now signed a Commons Motion

urging the Government to oppose sanctions unless the U.S.

Government promises that there

is no question of military action.

Signature in Paris of Agreement

to refinance Zaire's bank debt 23 April 1980 The Republic of Zaire

announced the signature in Paris on 23 April of an agreement to

refinance its uninsured syndi-

The financial elements of this

agreement include a final maturity of 10 years, a grace period of 5 years and a rate of interest based on a spread over

LIBOR of 17% during the first 5 years and 2% in subsequent

In addition, Zaire has com-

mitted to paying immediately all

Interest arrears as at 31 January

1980 and 10% of arrears of

principal at the same date.

During the grace period Zaire will pay an additional 11%

of arrears of principal as at the reference date of 31 January

At the signing, the Minister of Finance of the Republic of Zaire, M. Namwisi Ma Koy said

that the agreement would con-

tribute significantly towards the re-establishment of Zaire's credit in the international bank-

ing community.

The Minister of Finance added

that the various actions taken to

implement the stabilisation pro-

gramme, including the agree-ment with the International

Monetary Fund, the renegotia-

tion of external financial com-

mitments, and the mobilisation

of external aid, were continuing

with positive and encouraging

results to date.

cated bank debt.

"bilateral quarrel between America and Iran."
Mr. Callaghan also said that

Alarm

Labour and Tory MPs

support for her

Success had evaded her.

patriotic reception.

port in the Commons yester- nation which was increasingly day for the Prime Minister's in opposition to UK membership tough line at the EEC Summit of the EEC, was proud and and her rejection of the offer relieved that she had declined She firmly rejected the budgetary to cut Britain's Community Budto prejudice Britain's demands of auti-Marketeers for sequences get contributions from £1,100m agriculture and fishing interests Britain to leave the Community not accept. for a purely temporary allevia-

too high in the lead up to the Liberal spokesman, who said many believed that the abrasive ducted the negotiations had been damaging to Britain's real He thought the offer of a

He reminded her that the reduction was a notable concession, particularly when the German and French leaders were facing imminent elections. It would have been wise to have achieved a future budget restuructured on the basis of Mr. Enoch Powell (Ulster gross national product. the offer was on Unionist, Down South), the Mrs. Thatcher told the House: no agreement ha former Conservative Cabinet "There will be no further for later years.

matters in the Community unless, and until, our own particular problem is settled."

"We have—I repeat—no intention of coming out of the Community," she emphasised. She still believed a satisfactory solution would eventually be found. Over the next six

weeks, Sig. Cossiga, the Italian Prime Minister who is President of the Community, would be making further "strenuous making further efforts" to work out an acceptble formula.

Our partners had to underThe Prime Minister main- stand that these matters could able formula.

tained that the proposal to reduce Britain's net contribution to £325m had brought agreement nearer than ever before. She confirmed that the stumbling block had been that the offer was only for 1980 and no agreement had been reached

She said she had made it clear to our partners that the earnest of good faith," she proposals for an increase in agricultural prices would have She firmly rejected the budgetary and other con-demands of anti-Marketeers for sequences which Britain could

> Nor could we accept the sheep meat proposals as these would have been seriously disadvantageous to Britain.

In addition, the UK had made it clear that more work must be done on a common fisheries policy and that to be acceptable, it must safeguard the vital interests of the British fishing industry.

not be dealt with unless, at the same time, the Budget problem Far from restructuring the

Common Agricultural Policy, the current proposals would have increased the proportion of the budget going to agricul"That really did not seem an

The French Press and the German Chancellor had suggested that the question of restructuring the CAP could be reviewed next year.

"But it was not enough to place one's faith in a review. One wanted a longer duration of the agreement," she com-

The Prime Minister played down suggestions that Britain should now withhold VAT contributions from the Community. She recalled that she had already said that this could be done as a last resort, but emphasised that she hoped for agreement without such a measure. An opportunity to curtail the

on Monday. The settlement is expected to be clinched at the CAP would arise when the limits of 1 per cent of VAT end of the week after an execucontributions from member tive meeting of the white-collar Transport Salaried Staffs' nations was reached. This would happen soon. Association.

The train drivers' union
ASLEF made clear its agree-



THATCHER:

'Abolish Clegg awards'

GOVERNMENT yesterday urged to abandon the Clegg comparability awards... Sir Gervas Walker, chairman

of the Association of County Councils, said the awards should be abolished immediately as they added to inflation without improving producivity. The concept of Clegg had

Government "off the hook' over public sector manual workers' pay before the implications had been thought through. "We warned the last Government about it and one hopes that it is now at an end." Sir Gervas said.

One problem had been that the Government fixed the level of rate support grant for local authorities last autumn without saying what provision for comparability awards had been

Mr. Michael Heseltine, Environment Secretary, has persistently refused to give the figure and merely repeats that it was "adequate and realistic."

The local authorities suspect it was neither. "If comparability is to be continued, we shall never again accept the Government's word on provision for it within the rate support grant without knowing what the figure is. We are not going to take this on the nod again," Sir Gervas said.

Local authorities were in a difficult position on pay and comparability awards because some would have difficulty in meeting demands which were at, or slightly above, the present 20 per cent level of inflation.
"We cannot afford much more

The most pressing problem was the current round of negotiations on teachers' pay. The teachers have been offered 10 per cent and want 20 per cent.

Setback in bid to join confederation

OF the non-tion would have amounted to Engineers and an acknowledgment by other Managers Association becoming part of the Confederation of Unions collapsed yesterday. The move could have had

profound implications for the trade union organisation of senior professional staff.

Union of Engineering Workers engineering section executive, which has been supporting the association's efforts to join the confederation, was told by its national committee in Blackpool that it must stop doing so. With only a single delegate voting against, the committee instructed the executive that "under no circumstances must they support the application of the Engineers and Managers Association to affiliate to the confederation."

Deprived of AUEW support it is most unlikely that the association's application will succeed when it is considered at the confederation's annual meeting in June. The sonfederation coordinates all 18 TUC engineering unions.

In the past four years the association has been engaged in a fight to expand its traditional base in electricity supply and represent senior engineers and ing and related industries.

TUC unions that the association has a valid role in engineering. pects of recognition from Yesterday's vote was the most

serious defeat which the right-wing AUEW executive has faced at the bands of its policymaking national committee this

application in spite of the fact that TASS, the AUEW's own Communist - led white - collar section, is the association's most vocal and determined

delegates that the executive hoped to be allowed to continue its policy of supporting the association. He said there was scope for it to recruit and it had given assurances that it would not posses other union's members.

door on "a growing organisation which can make a valeable and talented contribution to think ing in the confederation. Delegates feared the associa-

tion would use its position within the confederation to enlarge its membership at the Admission to the confedera- expense of other unions,

Management has won deci

sively the set piece confronta-

floor resistance in implement ing details of the package.

Typical of the unreet bound

was yesterday's walkout at the

Cowley body plant, Oxford, by

hear from the Government

whether the unions were pre-teceted by current law against

suits for damages for this kind of "political action." The Institute hopes a Commons question will be tabled on the

issue... A Lords question is down

director general of the institute

said companies who suffered

any los should not hesitate to

result, he said, in a los of £315m

the protection afforded to indus-

trial action in pursuit of a trade

dispute. CBI member firms

The Confederation of British

for next week.

Mr. Walter

The federation is clearly embarrassed by the failure to suspend printeraffsmen by some of its members although

tion with organised union opposition. Now it faces shop widespread lockouts have been imposed by provincial

The company has said that 60,000 NGA members involved in the national dispute over under the new conditions, the painters must don overalls and wash down in their won time to print craftsmen's pay are justify payments up to £14 a employed by provincial news-Negotiations continued into the night Production of Princess, Maxi and MG models

factory" response by its 3,700 member companies to its call for concerted action against the NGA this week although it has suspended 100 companies who have yielded to the NGA's demand for an interim pay settlement giving printer £80 minimum earnings.

Most provincial newspapers did not publish again yester day and the London Evening News became the latest Fleet Street paper to be hit.

Bank hours'

By Nick Garnett, Labour Staff

Insurance and Finance Union are expected to be issued with formal working guide lines covering their union's policy on extended bank opening hours. This follows a decision by the union's conference in Folkestone yester-day to clarify and strengthen opposition to extended

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Steel and Concrete Nuclear Shellers for private lowners designed by international constituing engineers to Home Office Standards will be marketed from these offices in Hastings but mitially only for counties Sprin-East of London. DAFAL LIMITED

Wenbans Lane, Wadhurst, East Sussen

Faversham) declared that Britain's interests had never Her abrasive negotiations had damaged the country's real interests, Mr. Johnston been defended with such strength and determination. claimed. "Surely it is not the

Fervent reception from the troops

More notably. Mr. James Callaghan gave his full backing to her refusal to concede a year's agreement for £800m. Expectations had been frustrated, he said. "We hope you will succeed in the end and believe you must because you have the united support of the House,"

"You have united the

nation," Mr. Nicholas Winter-

ton (C, Macelesfield) cried in

Mr. Roger Moate

Mr. Enoch Powell voiced his pride and relief — and Mr. Edward Heath left the

Mrs. Thatcher accepted the tributes modestly and dealt gently with the sole dissent of Liberal MP Mr. Russell Johnston.

isolate Britain?" he demanded. The Prime

description of her methods, retorted that whatever the they had persuaded the rest of the EE Cto offer a very significant reduction in the budget controbution. But to give something

permanent in return for a

never a good bargain, she declared. suggested that Britain had so

temporary advantage was

far got an even worse bargain than that from its membership of the EEC. Were there any contingency plans for a permanent withdrawal? they asked hopefully.

Not at all, Mrs. Thatcher replied. "I believe it is

wbolly in the interests of this country to be, and to remain, in the EEC." The retreat from Luxem-

had been only a tactical manoeuvre — and looked forward to continuing the campaign to a satisfactory

Increased speculation on use of Diego Garcia

By Elinor Goodman, Lobby Staff THE PRIME MINISTER in- "common definition of military MR. JAMES CALLAGHAN'S creased speculation yesterday intervention." support for the Government's that the American planes had line on economic sanctions used the British base of Diego drew a distinction—which Mr. Garcia in their ill-fated rescue Callaghan shared to some of against Iran is coming under increasing pressure from within attempt of the hostages held in his backbenchers' fury-beboth the Shadow Cabinet and Iran when she refused to be tween a rescue attempt of the Parliamentary Labour drawn on whether or not the hostages and military intervenbase had been involved. The Shadow Cabinet is to

meet again today, but at a meeting on Monday bourg summit, Mrs. Thatcher night it was clear that Mr. Callaghan was in danger of reaffirmed the British Govern-becoming isolated from his ment's commitment to supportcolleagues. diplomatic action to help secure Mr. Denis Healey, the Shadow the release of the hostages. Chancellor, has already publicly But she repeated that, in

queried the wisdom of sanctions common with other European and he was apparently supported in this view by the Governments, British support would fall short of endorsing majority of other Shadow any U.S. military intervention. In reply to a question from the Leader of the Opposition, Mr. Callaghan yesterday admitted that he thought the European Governments were supporting sanctions because they thought they would be effective in securing thing else which fell within the through allied bases."

To Labour jeers, she also

At Question Time, and later Mr. Thatcher was pressed by in her statement on the Luxem- Labour backbenches to deny reports that Diego Garcia had been used by the rescue planes. Mr. Tam Dalyell (Lab. West Secretary as saying on Monday that he was unable to say

Mr. Dalyell argued that the Commons had a right to know if a British base had been involved. But Mrs. Thatcher she expanded this to make it refused to be drawn, insisting clear that she would not be that she did not want to get prepared to go along with either herself into the position where the mining or the blockade of she had to "confirm or deny the Straits of Hormuz or any every report about movements

whether he knew if the base

had been used.

Mrs. Thatcher said she regretted " resignation of Mr. Vance as the U.S. Secretary of State. But she defended the U.S. Government's right to launch a rescue attempt without consultin gher allies in

"We owe the U.S. our judgment, and in most matters they would naturally consult us," she said. But if it came to organising a rescue operation, "any country thinking of it

During the questions, number of backbenchers from about being dragged along on

burg), said that while people could understand America's exasperation over the hostages, an erratic foreign policy" in a crucial area was unsatisfactory, and that there must be a united

both sides showed their anxiety the Americans' coattails Mr. Dennis Walters (C., West-

Planning Bill peril over deadline

BY ELINOR GOODMAN, LOBBY STAFF

yesterday that there was no chance of getting the Local Bill on the statute book before try to get the Bill through its final stages in the overspill session of this Parliament in October.

This brings the legislation perilously close to the deadline for implementing the powers in the Bill to penalise overspending authorities.

Government is being forced to take one clause out of the Bill and rush it through the House as a single clause Bill.

As now drafted, the Billwhich has ben criticised by MPs on both sides of the House for being too long—contains the power to increase the existing

THE GOVERNMENT admitted the middle of September. the summer recess. It will now there was now no chance of

with this one aspect of the As a result of the delay, the

borrowing limit of the new towns. But the new towns are due to run up against their them:

existing borrowing ceiling by'

Mr. Tom King, the Local Government Minister, said yesterday during the Bill's committee proceedings, that since getting it on the statute book by mid-September, the Government intended introducing a

special single clause Bill to deal

The Government originally triend to introduce the local government legislation in the Lords. After objections, it withdrew it and introduced it again in the Commons-less some of

But this still left around 140 clauses—including the highly controversial proposals for penalising big spending local authorities and for changing the rate suport grant-and the committee has so far only got

through about two-thirds of

that the Bill would get the Royal

Environment Secretary, was very anxious to have the legislation to enable the urban development corporations to start work in the summer. They will now be put back until the

ment to get the Bill onto the statute book this session. Other-

Assent before the summer recess in August. But it has run up against the log jam of legislation awaiting scrutiny in the Lords.

It is essential for the Govern-

wise the new system of rate support grant cannot be introduced in 1981-82 and there will be no powers to penalise the overspending authorities in 1980-81. They will then be able

Mr. Michael Heseltine.

to claim the standard portion of their overspending back from the Government through the annual increase orderexactly what the Government is Ministers had been hoping trying to prevent.

Labour criticism on arms control

BY IYOR OWEN MR. JOHN ROPER, a Labour citizens of this country or our in their conditions of service to restoring the pay of those in

front bench spokesman on allies in NATO to pretend that Defence, attacked the Govern- we can carry out a set of tasks ment last night for failing to which clearly demand more retake the initiatives which were sources than are available, required in the field of arms Mr. Keith Speed, Un ontrol and disarmament. Secretary for Defence, Speaking on the second day announced during the debate control and disarmament.

White Paper which acknowledged the fact that the world saving on standard rates. now faced an unprecedented then to do so little to demonthe proliferation of arms.

He declared: "We must be ing in mind the amount of properly defended but it is not private travelling servicemen fair to those who serve us in have to do, this should

Mr. Keith Speed, Under Secretary for Defence, of the debate on the defence, that British Rail is to introduce estimates, he maintained that it a new concessionary fares was unacceptable for the Gov- scheme for private travel by ernment to present a Defence members of the Services which will provide a 50 per cent

From July 1, all members of threat to peace and security and the regular forces, and their wives or husbands and depenstrate that it wanted to control dant children, will be entitled to a forces rail card for use Mr. Roper stressed that on private journeys, subject to Britain was spending more on certain restrictions at peak defence equipment than some travel times. of her European allies in NATO. . Mr. Speed told MPs: "Bear-

worthwhile extra business and revenue for British Rail." He quoted the saving on a

journey from Portsmouth to Edinburgh — £9.50 compared with a weekend return and £25 compared with an ordinary return-as an example of the benefits provided by the new scheme which, initially, will run for an experimental period to December 31, 1982, Mr. Speed described the 16.8

per cent average increase in Service pay—announced earlier in the day by the Prime Minister —as "not extravagant compared with some settlements in the private and public sectors." He underlined the improvements in morale, retention of serving personnel and recruitment which had flowed from the

Government's decision on taking

and, we believe, will provide the Services to full comparability with their civilian counter-Recruiting in the 12 months

just ended was expected to total 50,000 men and women, and this would make it one of the best recruiting years since the ending of conscription. It represented a "substantial improvement" over 1978-79,

when recruiting totalled 43,360. Mr. Speed also announced that new proposals were in course of preparation to provide Army and RAF personnel with improved opportunities for home ownership The majority of officers and

men in the Royal Navy were he said. already purchasing their homes through the long service advance of pay scheme, and it was hoped to provide similar opportunities for those in the the armed forces nor to the constitute a real improvement office last year to give priority Army and the RAF.

Companies were waiting to

yesterday yesterday after the NUR follow any productivity agreeseemed finally to have con-decision. ments reached in these discus-British Rail compromised on sions railway workers when the the staging of the package, but stood firm in its insistence that compulsory dismissals, and the the National Union of Railway—this year's deal should be linked unions have agreed to review men, agreed to accept a revised to a commitment on major protability redshidancy and resettle—20 per cent pay and productivity improvements—ment arrangements to provide package.

The original deal offered 16 greater opportunity for job The original deal offered 16 greater opportunity for job per cent from April 21, the due mobility. This, together with settlement date, and 4 per cent the agreement's commitment to from June 30. The revised packtake an hour off the working age will give a single 20 per week next year, should stave off The total cost of the package ductivity proposals, the NUR will be about £120,000 more than believes.

the original £220m deal because a London weighting allowance The deal will raise the basic will still be paid from April 21, rate of a railwayman from which will also be kept as the £48.95 to £58.75 and a driver settlement date for next year. from £78.20 to £93.85. Average

The unions have accepted earnings for 52-hour average some productivity changes in week for a railwayman will rise the freight, parcels and adminis from £86 to £101.20; for a guard trative services, and will agree from £95 to £124.85; for a by May 31 a timetable for discussions on their commitment for a top-grade signalman from to further, more far-reaching £115 to £175.64. The average for changes in these sectors a top grade supervisor will rise Further payments are likely to _to £202.27.

NGA works

BY ALAN PIKE, LABOUR CORRESPONDENT

Shipbuilding and Engineering and would have enhanced pros-

However, 'the Amalgamated The engineering section leaders have been supporting the association's confederation

> opponent. Sir John Boyd, general secre-tary, told national committee

> > members.
> >
> > Rejecting the application, said Sir John, would close the

Opposition to BL fades as Jaguar strike ends

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

FINAL OPPOSITION to BL workers. Cars' controversial pay package crumbled yesterday with an overwhelming vote by 1,800 workers at Jaguar, Coventry, to abandon their two-week strike The men walked out in protest at a new grading struc-

ture. They agreed to go back to follow in the next few months and allow their case to be put was yesterday's walkout at the through an appeals procedure. The decision caused some relief within BL. There had been fears that management might be forced to go ahead with the threat to sack strikers -which could have jeopardised

BL has not pulled back from implementing a 5 per cent pay award linked to key working practice changes, in spite of

than about 10 per cent," he said, although he agreed that because of balances and scepticism of Government figures by many councils, supplementary rate demands in the autumn were unlikely in more than a few authorities.

was disrupted, with 250 workers strikes at time involving 18,500 laid off. Court threat to unions

SHOP-WORKERS yesterday opposing the calling of a strike for the TUC's Day of Action on May 14, the Institute of Directors said that large com-panies might take legal action against trades unionists, if the companies suffered losses as a result of the one-day protest. The conference of the Union

of Shop, Distributive and Allied Workers, Britain's sixth largest union, voted over whelmingly in support of an whelmingly in support of an bring proceedings against the executive report which condemned the Government's money. The day of action could Employment Bill but did not commit the union to specific

Delegates rejected a motion calling for strike action and supported the executive's recommendation that members take a day's holiday on May 14 Mr. Bill Whatley, general were being urged to stay open secretary, said that a strike call as usual on the day.

could leave the union "with egg on its face" and that ediscus-sion on the TUC general council, of which he is a member. had revealed that other unions were in the same position. "There is a degree of confusion among unions affiliated to the TUC about how many of their members will come out,"

The Institute of Directors said yesterday that legal action was likely to be taken by large companies over the day of

on in print chief's firm By Pauline Clark, Labour Staff MR PETER MEDCALFE,

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Uru

president of the British Print ing industries Federation, admitted less night that craftsmen were continuing to work in his own printing company despite the federation's call for a astional lockont.

His company, Hust and Barnard of Aylesbury, Bucks, decided to reinstate 50 members of the National Graphical Association after Graphical Association after suspending them on Monday. Mr. John Wood, president-elect of the BPIF, has also continued that his company. McCorquodale, with 1,000 NGA members, refused to suspend them without pay on Monday when the national lockout was called.

The National Graphical Association pointed vesterday to a picture of crumbling support for the lockout of its provinciai members among Mr. Medcalfe emphasised that the "minority" of his company's NGA members who had agreed to continue work-

ingswere not being paid the neig rate demanded by the NGA. He added that further industrial action by the printcraftsmen may lead to them. med again. He said the company, which

specialises in book printing and gramophone record labels, had been placed in a difficult position, because two rival companies had falled to impose a lockout. Companies in the BPIF which had not imposed lockouts had taken the decision for the "highest motives," he said.

some of its members although it emphasises that the majority are determined not to meet the NGA's demand. The NGA claims that the "vast majority" of its members in the industry have not been locked out although

newspaper employers.
Only 10,000 of the total papers the union claims.

The federation reported yesterday a continuing "satis-

guidelines

MEMBERS of the Banking, Industry said yesterday that it considered that the proposed stoppage was unlikely to enjoy

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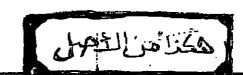
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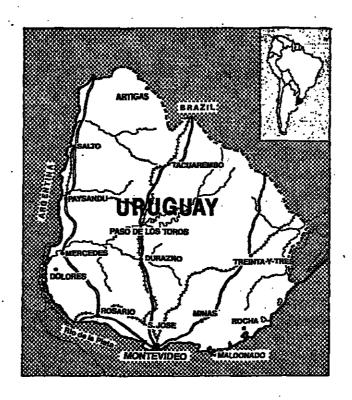


During recent years, Uruguay has been developing a new economic strategy, in an attempt to reverse a situation of long-standing relative stagnation, which was one of the main features of the economy for nearly twenty years, until the mid-seventies.

In this respect, during the severe crises of both domestic and external origin that struck the country during 1973 and 1974, the economic authorities developed a more profound economic policy, defining a strategy that implicitly recognized that the long-term solutions of the problems of the country were beyond the stabilizing measures.

The starting point in this change of attitude was the recognition of the existence of a general missise of productive resources, originating in policies of widespread intervention and control exercised by past governments. This intervention distorted the general system of prices, hence interfering in its function as a mechanism of information and orientation of social productivities.

It was therefore necessary to form a progressive and modern programme suited to present world circumstances and to remove out-dated programmes, which might have been valid thirty or forty



years ago within a very different international framework, but which were no longer realistic.

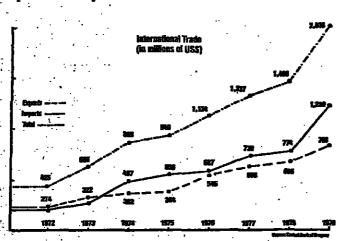
During the implementation of this strategy, the sectors registered different rates in their rhythm of adjustment, partly because of technical factors, partly because of availability of different resources and partly also because of social issues which cannot be ignored.

The different instruments used to implement the general strategy, as well as specific measures, are a good means of evaluating the main objectives declared in that strategy. However, every global economic policy, when applied in a certain context, is never a coherent set of decisions working at an indentical pace. It appears rather as a set of decisions taken at different moments, where the social and political correlations are not identical.

It is in the medium and long-term that all these measures and decisions rearrange themselves under the main leading principle. This is why it is so important, when evaluating the potentials of the strategy, to keep a long-term view, and analize with caution possible contradictions, allowing enough time for the instruments to work as

FOREIGN TRADE OF URUGUAY

The share of the external sector in the economic activity has registered further improvements, following the substantial opening up of the economy.



Transactions with the UK

Traditionally Uruguay and the UK have maintained considerable and profitable commercial and financial relations.

These have existed since the middle of the last century, with the development of an important current of trade. Later on successive British investment participated in the Uruguayan economy, helping its development.

This considerable business flow between the two countries has existed until present times and is reflected in the figures below.

Commercial trade with the UK (thousand US Dollars)

Urugusy: Total exports to U.K. Urugusy: Total Imports from U.K.	24.256 .17.448	13.416 24.735
		4

The main items of Uruguayan exports are agricultural products, with various levels of processing, while imports had consisted mainly of industrial products and capital goods.

Uruguay-U.K.: Main Items of Trade (thousand US Dollars)

	1978	1979
Mein Exports to UK		
Mest	641	213
Fish	· 6	235
Carries	. 79	147
Rice	6.027	2.114
Sheepskins	236	1.613
Handbags etc.	284	474
Wool	14.634	5,808
Woven fabrics	294	859
Footwear	601	567

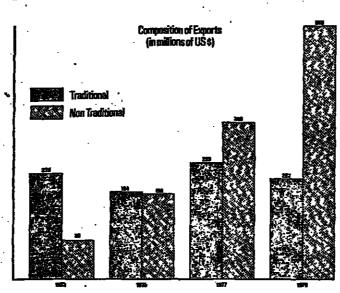
Main Imports from UK Inorganic products 220 479 Polymerisation and Copol. 112 286 products 403 Piston engines Excavating, levelling and extracting machinery 348 562 609 Tractors 2.742 3.260 5.598 Spare parts and 1.203 1.487

General

In a few years Uruguay has multiplied the volume of its exports to a considerable extent, and at the same time has diversified its external markets to a high degree. Until 1973, Europe was Uruguay's main export market and accounted for 75% of export earnings.

These figures have decreased in the last five years, representing now around 42%. The LAFTA area, of which Uruguay is a member, has increased its share, and from 10% in 1973 has risen to 37% in 1979. The U.S. has also increased its importance, accounting now for

Agriculture plays a fundamental role in Uruguayan exports, as between 80% and 90% of total merchandise exports are agricultural products in different stages of processing.



MAIN EXPORTS OF URUGUAY IN 1979

(million US	Dollars)	
Animals & animal products		169
Vegetable products	• .	89
Animal & Vegetable fats & oils		11
Foodstuffs & Beverages		25
Mineral products		14
Chemicals	. •	25
Hides, skins, leather	.]	149
Textiles and textile articles		178
Rostmen		28

MAIN ECONOMIC TRENDS

The first years of the new policy were evaluated by the World Bank in a report on the country in the first half of 1978.

WORLD BANK -- SOME CONCLUSIONS

During the last four years (1974-1977) the Uruguayan economy has been undergoing an important transition process from a situation of fiscal and balance of payments crises to a period of moderate and steady growth (2.6% per capita per amum between 1973 and 1977). This is a significant accomplishment in view of the difficulties experienced since the mid 1950s in sustaining positive rates of economic growth. Between 1954 and 1974 real per capita income increased at 0.5% per annum as the country encountered difficulties in improving living standards in the face of deteriorating terms of trade and a burdensome and ineffectient industrial structure. Resources were drawn out of an already weakened agricultural sector to finance transfers for urban consumption and industrial activities with a low productivity. The result was the gradual stagnation of exports and periodic belance-of-payments crises. Inadequate fiscal and monetary management contributed to persistent inflation. The recent recovery of the economy has occurred in the face of generally adverse international factors such as the quadrupling of oil prices and protectionist policies against beef imports in the traditionally key market of the European Economic Community (EEC). The turnaround in economic performance is explained by a fundamental change in the authorities development strategy from an inwardlooking to an export-oriented growth policy.

Economic policies since 1974 have aimed at stimulating investment while discouraging consumption growth. Liberalized financial and import regimes as well as the gradual elimination of domestic price controls and restraint on wage adjustments showed results again in 1977 Investment expenditures reached record levels as real fixed capital formation registered a 19% increase over the previous year, owing to the investment activity in non-traditional export subsectors,

and the construction of the Salto Grande (jointly with Argentina) and Palmar dams. The higher investment levels were accompanied by a continued full in the share of consumption in GDP and an estimated drop in real wages of roughly 15-20% during the three-

Despite increasing imports and large service payments on external debt, the current account deficit has been reduced from an average of US\$ 160 million in 1974-75 to US\$ 85 million during 1976-77. Private short-term capital inflows, stimulated to unprecedented levels (an average of US\$ 175 million during 1975-76) by high interest rates, have been the other major force explaining the rapid recovery of the external sector from the 1974-75 crisis produced by the quadrupling of oil prices and the closure of the EEC beef market. These capital inflows also partly reflect the enhanced confidence of the international financial community in the country's economic outlook. Net international reserve gains of US\$ 112 and US\$ 161 million have been achieved in 1976 and 1977, respectively, compared with losses of US\$ 58 and US\$ 73 million during the previous two years.

Over the foreseeable future, Urugnay's overall economic performance will be considerably influenced by the evolution of nontraditional manufactured exports. The prospects for Unignay's nontraditional manufactured exports should commute to be favourable, particularly in the case of products based on domestic agricultural inputs, where the possibilities offered by external markets have not been fully rapped. Leather products, including shoes, and woollen textile products should continue to provide the lead in export expansion. A recent study of Uruguay's textile and apparel has indicated that good export possibilities exist for woollen men's suits, sweaters, and ladies coats. In addition to these products, there are a number of others which enjoy good prospects based on recent experience and their relatively high share of domestic value added. These include: (a) suxilizary products for the apparel industry; (b) agroindustrial products, including fish; and (c) tiles, ceramic water, and glass.

PRESENT DEVELOPMENTS OF THE

ECONOMY

investments, etc.

a. Changes in the functioning of the system of prices, with the elimination of the mechanisms of controls, and the consequent

liberalization of the prices.

b. Restructuring of the fiscal system, reducing the burden on productive activities and investment.

c. Changes in trade policies and mechanisms with a general liberalization of transactions.

 Reform of the foreign exchange mechanisms, with free movements of capital, free transfer of yields and profits of foreign

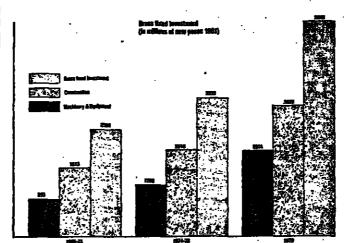
During 1979, this process of change added important results to those already achieved, and an overall view of the results accumulated during this period of reform, shows that at the end of 1979 the GDP was 30% above the level registered in 1972, and greatly exceeded the

15% achieved in the 17 years between 1955 and 1971. The various incentives defined by the government have promoted considerable new investment in different areas. Hence, while in 1973 the share of gross fixed investment in GDP was 10.7%, after successive important rises, this share increased to 21% in 1979, with a significant impact on the levels of employment.

The Central Government which in 1975 had registered a disequilibrium of around 27% in its accounts, showed in 1979 a small surplus of 1.4% in its revenues, over total expenditures.

Production and Investment

The economic results at the end of 1979 showed a growth of GDP of 8.4% in real terms, compared to 1978, and is an encouraging contrast with the weak average rate of approximately 1% p.a. registered during the fifteen years from 1959 to 1973.

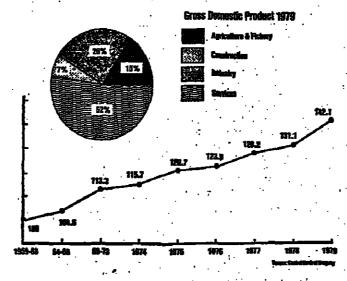


Gross Domestic Product by Sectors (Cumulative annual rates of growth by period)

		1969-73	1974-78	1979
GENERAL		1.3	3.2	8.4
Agriculture	•	2.8	-0.3	2.7
Fishery		· 8.4 ·	32.5	38.8
Manufacturing		1.5	5.3	10.1
Construction		-0.2	10.6	19.9
Services		1.0	2.4	7.6
•				•

The expansionary trend shown in manufacturing since 1974 remained unchanged in 1979, and the global rate of growth of the sector reached 10%. Because of its high share in total GDP, manufacturing was the sector with the main impact in global growth.

Nearly all the branches of industrial activity have shown important increases of more than 10%. Non-traditional exports became once again an important expansionary factor, but there was also an upsurge of global domestic demand which explains the growth in the branches of industry supplying the domestic market. Within this global demand, the demand for domestic consumption played a more active role than in previous years, showing a rate of increase of 10% in real terms. This is directly linked with an important upsurge in employment levels and improvements in real wages. Most of the sectors of activity are paying wages considerably above the minimum legal level (which is the one registered in staristics).



The prospects obtained by participating on better terms in the markets of Argentina and Brazil, deriving from Commercial Agreements with these two countries, provides Uruguay with important favourable conditions to export products to a potential market of 136 million inhabitants.

Agriculture has also shown positive signs, growing at a rate of nearly 3% in real terms. This, as a result of promoting measures, granting incentives for higher investment and increased profits. These measures included:

 liberalization of prices for beef, cereals, and oilseeds, which, in the future, instead of being administered, will be determined by supply and demand.

freedom to export cereals and oilseeds.

- freedom to establish slaughtering plants all over the country, for domestic supply, exports or both.

the removal of surcharges on imports of fertilizers, and the introduction of a single 10% import surcharge on assembled tractors and farm machinery.

This process of sustained growth has been accompanied by rising levels of investment. The increase of the Gross Fixed Investment in 1979 has been 28.5% in real terms, and this meant an improvement of the share of that investment in GDP, hence representing now 21%. In this process, investment in machinery and equipment grew 42% in volume and this result grows in importance when one considers that in some way this behaviour of investment is indicating what the future trend of GDP will be.

The doubling of the part of the Gross Fixed Investment in the GDP, in six years (from 10.7% in 1973 to 21% in 1979) shows the important ellort the country bas been making to en expansion of the economy during the next years.

External Sector

Uruguay registered once again in 1979 an important gain in net international reserves, this time of US\$ 68 million.

This was achieved despite the deficit registered in the trade account, where exports totalled US\$ 788 million and imports US\$ 1.230

This substantial flow of foreign trade, which now amounts globally to more than 2 billion dollars, reflects the influence of the liberalization of the sector at large (in the four years 1970-1973 the average annual ammount was US\$ 483 million).

Non-traditional exports increased their participation in total exports, representing at present 72%. This performance allowed a bigger diversification of the sector as a whole, and at the same time increased the development of activities with a higher share of value

Total imports experienced a marked increase of 59% with respect to the previous year. Imports of capital goods represented 45% amounting to US\$ 151 million. Together with intermediate goods, they account for 70% of total imports and this reflects the growth of investment and activity in the economy.

The great inflow of private capital (US\$ 379 million) was more than sufficient to cover the trade gap and generated an increase in net reserves of US\$ 68 million.

Capital flows of this magnitude have been made possible by the existence of a free exchange rate market, which operates without restrictions or regulations of conversion and transfer of funds. This situation is strengthened by a general climate of stability.

At the end of 1979, the total external debt totalled US\$ 1.682 million and the net position of reserves of the Central Bank amounted to US\$ 667 million. This includes 3.3 million ounces of gold priced at US\$ 155 per ounce.

A negative aspect of the results registered during 1979 has been the acceleration of the rhythm of inflation, with the rate reaching 83.1% at the end of the year.

Since the liberalization of the functioning of the economy also allows for contracts including clauses with mechanisms of indexation that the parties may wish to apply and also in currencies other than the New Pego, in some cases the danger of that increase has been

Nonetheless, the behaviour of prices represents a major problem for the authorities.

Pactors of external origin may explain a considerable part of this acceleration. The important rise in international prices of the different goods and commodities which constitute the basket of "tradeables" of Uruguay have introduced significant pressures.

Together with this, the persistent gain of international reserves has provoked an expansion of the money supply validated through the present regime of fixed rates of exchange that has been in operation for the last 15 months. This problem seemed inevitable in this period of transition where for social reasons liberalizing measures in the real sectors and in the reallocation of resources (reduction of tariff barriers, removal of redundant protection, etc.) have implemented at a slower pace compared with the changes in the

However, the twelve months until February 1980 show a small deceleration of the rhythm of prices, reaching now 77%, and the index of wholesale prices has decreased from 77% at the end of 1979 to 66% in February, 1980.

A positive influence on this feature is the elimination of the fiscal deficit, which in the past was one of the main elements explaining the increase of monetary demand and the pressure on prices.

DIVIDENDS ANNOUNCED

Date

July 8

July 7

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital

6.07

3.96

Corre- Total Total

Simon Engineering over £18.5m on £324m sales

WITH second half pre-tax profits £8.51m, and earnings per 25p moving ahead from £10.3m to share are 50.7p (41.8p) before Engineering advanced from £16.61m to (40.1p) after. The final dividend £18.54m in 1979 as a whole. The is raised from 6.0652p to 7.33p, figures include interest receiv- for a total of 11.33p (9.0652p), as able up from fl.1m to fl.63m forecast at the time of the rights and associates profits £648,000

The contents of this page are a summary of the news from yesterday's edition

taxable profits of Nurdin and Peacock, cash and carry whole-

The net total dividend is stepped up by 75 per cent to 3.6p (2.0579p), with a final of

Mid-term profits were up from £1.5m to £2.32m, and the directors expected the second half to show an increase over

They now say the group has

The pre-tax surplus for 1979

was struck after making an additional allocation of £600,000

to the pension fund and provid-ing £371.000 for the staff share

gnawed away at profits growth in the second half, Nurdin and

business, he tells members in schemes.

on fixed assets, authorised, but

not provided for in the accounts

entered. The group is committed

to repurchase £20.78m of gilts from the Bank of England. The

policy resulted in contributions being 13} per cent higher than

Amax and the French Government's Bureau de Recherches Géologiques et Minières (BRGM)

are to appear in June before the

Tribunal de Commerce de Paris as defendants in the action for damages being brought by

at the Toronto meeting that he

indications Northgate's net in-

follows earnings of C\$2.3m in the

The group's efforts are being

first quarter of last year and this year.

money power is not connected, Newfoundland.

his annual statement.

made an encouraging start to 1980, bearing in mind the high

ever £281.26m.

exchange differences and 48.4p (40.1p) after. The final dividend

Turnover climbed from £235.6m to £323.9m, with the process plant contracting division show-ing the biggest increase, £73.92m to £123.1m. Turnover by divisions: food engineering £67.9m (£58m); manufacturing £48.46m (£43.49m); merchanting and storage £76.68m (£60.2m); oil ser-

Merchanting and storage pro-After tax down from £7.07m to vided the major share of profits the current year should see £20m 5.55m, minorities £1.14m at £5.97m (£3.1m). Others con- or more at the pre-tax level. The (£681,000) and exchange losses tributed: food engineering shares now stand on a modest £538,000 (£348,000), attributable £5.27m (£5.3m); manufacturing rating of about 64 times prospecfood against £1.69m (£3.8m); process plant

Nurdin & Peacock passes £7m

A RISE from £3.93m to £4.73m impressive aspect of the results even retailers such as Teseo. in the second half helped lift is the relatively high return on The company has a head start in

saler, to a record £7.05m in 1979, than elsewhere in the sector but element of improved sales mix against £5.44m previously. Sales N and P has consistently manduring 1979, particularly a bias were £43.45m higher at a best-aged to outperform, challenging towards non-fods.

ahead from £17.37m to £18.43m

in 1979, on turnover £24.08m

building and construction products increased by £0.31m to

£4.74m. However, the contribu-tion from trading interests of

Fosmin fell sharply to £0.29m

The net total dividend is raised from 5.2443p to 6.41p, with a final of 3.76p. Earnings

higher at £226.5m.

comment

Bank of Scotlond well placed

Current cost taxable profits are

The group balance sheet shows

adjustment for monetary working capital £13.5m (£6.3m) and

current deposits and other accounts at £2.4bn (£2.03bn) and

advances to customers and other

items at £1.96bn (£1.58bn).

MINING NEWS

The dispute concerns Patino's

covered and given preliminary development by Patino between

Patino estimates that with

high interest rates the project

has so far cost it some \$79m, but

the gross value of the recover-able nickel and cobalt contained

in the ore reserves is thought to

Northgate Exploration has

The dispute arises out of a development in 1978 whereby BRGM formed a French company Société de Promotion des Mines,

While looking for the switch

Diamond drilling is to com-

Northgate's 45 per cent-owned

degree of competition on the grocery side. They hope full-vear sales and profits will again be at record levels.

higher at £226.5m.

Trading profits of the Foseco metals sector rose from £14.89m to £16.72m, while those of Fosroc

ing £371.000 for the stan share participation scheme.

Earnings per 10p share are shown to have risen to 22p (16.3p). after a reduced tax f0.75m, against £0.99m, but charge of £717,000 (£740,000)—

SSAP 15 has been adopted and f1.85m to £2.58m.

Although increased competition per 25p share are shown ip grawed away at profits growth higher at 20.7p.

cation it has both the ability and provisions of £32.99m (£29.36m) opportunity to achieve and a first time contribution of

substantial enhancement of its £1.65m to staff profit-sharing

For 1980 capital expenditure shown at £22.5m (£26.2m), after

totalled £5.04m (£3.57m) for which contracts have been the group balance sheet s

Lord Clydesdale believes the comment

BY KENNETH MARSTON, MINING EDITOR

AMAX inter-

funds but needs mines

directors state that no profit or items af £1.96bn (£1.58bn).

loss will arise from this Meeting Edinburgh, on May 20 at 12.15 pm.

particularly well funded, relative Although anxious about the level

national natural resource group \$18.9m (£8.5m) investment in has been named by the Dutchbased Patino NV mining concern in the latter's dispute with mining rights to the huge and

the French Government over the high grade nickel deposits in multi-million dollar nickelcobalt mining project in New Caledonia which were discovered and given preliminary development by Patino between

THE CANADIAN Northgate the bulb will not shine when the

Exploration base metal group's switch is turned on," said the

was optimistic about the via uranium exploration in

medium to long term outlook for Canada and Ireland, Northgate

lead, zinc and copper and will be obtaining some light from

despite the possibility of re- the pending start of gold mining

duced prices during the current operations this year by the 37 economic slow-down "I am con- per cent-owned Whim Creek at

fident that we will achieve our its modest-sized Haveluck pro-

operational and financial perty in Western Australia, "a objectives set for 1980," he said. pathfinder to other such projects

come for the first quarter of mence next month at the Orofino this year will be about C\$2.5m gold property in Ontario and the (£948,000) equal to 36 cents silver recovery project at the

(13.6p) per share. This is about Tynagh mine is expected to come

double the figure for the poor on stream towards the end of

concentrated on finding new Westfield Minerals also has a sources of income to replace strong financial position. At the

Northgate has the backing of venture with ... Shell Canada

strong finances—working capital Resources which covers the amounts to some C\$31.8m—for pooled lands in the Deer Lake its exploration activities: "If the and Codroy Basin areas of

He added that on present in this geographic location."

chairman, Mr. Pat Hughes, said president and chief executive.

1965 and 1969.

year under review the funding of the imminent clearing bank large in le policy resulted in contributions pay settlement, which could well retain a 60 being 13½ per cent higher than mean a rise of 50 per cent over provision.

Peacock has turned in a pleasing Comment performance. Perhaps the most Despite the steel

sales; margins in food whole that the majority of property is saling are traditionally lower freehold but there was also an

Static second six months

leaves Foseco £1.06m up

A STATIC second half left Foseco Minsep is still looking for taxable profits of Foseco Minsep growth this year. That should

mark and lifts payout to 3.6p

services £552,000 (nil). comment

In spite of pressures on the

engineering side, where margins Yorklyde generally were squeezed and two of the companies turned in losses, pre-tax profits as Simon have risen for the eighth consecutive year. The main boost came from a near doubling of the contribution from merchanting. and storage in the wake of the Iran crisis to £6m. With contracting profits of at least film in hand from last year's deliveries and a contribution of another film or so from the recently acquired Unichem International, engineering shares now stand on a modest

growth this year. That should

come as no real surprise when it

is remembered that the UK con-tributes no more than 5 per cent

any case imports appear to be an effective substitute for BSC

production. Fosroc, of course, takes about half its profit in this

country but the group is still looking for growth in the con-

the benefits from grass root expansion in five new countries

should start to bear fruit by the

end of this year. Fosmin, a dis-

appointment last time, should recover in 1980 with the injec-tion of new management and

product correction. Given a reasonable rum, the group as a

whole should be capable of at

least £19.5m pre-tax and prob-

ably more if currency movements

on the new inflation accounting standard SSAP 16. To avoid what it claims would be "distor-

tion" it has decided not to

include deferred tax on leased

assets as part of monetary working capital; if it had, current cost

profits after tax would have been

just / about nil. The problem arises largely because the Bank

However, Patino now wants to

be bought out of the venture under an agreement with BRGM

which Patino claims has been violated.

French Government was pre-

pared to go ahead with the min-

ing and metallurgical project with French interests, Patino

agreed to transfer 90 per cent of

Cofremmi to BRGM in May, 1976.

In return the Dutch company received 59m cash and was given

royalty and profit participation rights in the venture.

into which it put the 90 per cent

Cofremi holding. The new com-pany became 51 per cent-owned by BRGM and 49 per cent by

Although the new company left control of the nickel-cobalt

venture in French hands, Patino

says that the interest acquired

by Amax triggered an option

under the previous agreement.

rights be acquired for cash.

could have been completed in

1978 whereas Amax, which is

making pilot plant metallurgical studies in Colorado, is thought to

be a year behind in the work.

Following assurances that the

(which probably trimmed last years profit by £1.3m) are more dispute, favourable.

Pru ready to put more money into small companies

increased by rights and/or acquisition issues.

The Prudential Corporation is more effective process than that very willing to commit funds for of an enquiry by Department of investment in small companies, says Mr. Ronald Owen in his annual statement. But it has to be done in a manner consistent with the Pru's responsibilities towards its policyholders.

Allied Plant 0.88

Estates and General ...

Simon Engurg,

Waverley Cameron ...

S. Lyles

B. & I Nathan Nrdin & Peacock

Mr. Owen points out that it is probably best if investments in small companies are made through those specialised institutions geared to the requirements of such investment. The Pru has made a number of such investments and is currently investigating other possibilities, some of which would carry the threshold size of investment even

lower, possibly down to £25,000. in addition, in the field of property investment, the company is financing a number of industrial estates consisting of units suitable for small new

enterorises. In referring to the High Court proceeding taken by Prudential Assurance against Newman Industries, Mr. Owen says the case showed that legal action in

in relation to the discovery of documents and the taking of evidence upon oath were more restricted than those of the High

The progress report of the Corporation shows that UK life funds again invested heavily in gilts-£313m out of a sum of £449m were invested this way in £1979. A mere £39m was placed in equities, but £105m was put into property. On overseas life funds, £58m out of £70m was invested in fixed

The total market value of investments held at end-1979 was non-life funds and £530m in

The Group's property portfolio now stands well over £2bn com-prising some 5,000 properties. With a continued firm market, the value of those properties rose by 16 per cent last year. Much of the investment over the the courts in respect of the past 20 years has taken the form affairs of a company may be a of new developments.

Brook Street tops £2.7m despite heavy spending

RECORD RESULTS for 1979 are First Castle Securities' £402,000 reported by Brook Street Bureau of Mayfair, clerical and adminiswith clients of stockbrokers Moy trative staff agency, with pre-tax profits considerably higher at Vandervell, underwriters to the issue. Conor, which owns 50.39 per cent of First Castle, is £2.71m, against £1.91m. The, board says the results were achived despite the heavy unable to take up its entitlement because of a lack of resources.

expediture involved in developing a sophisticated computerised job-handling system, undertaking a major branch refurbishment programme
Had it not been for the revenue costs of these invest-

ments for the future, board says profits for 1979 would have exceeded £3h by an appreciable Tax for the year was up from

in the previous 12 months.

The past years, Dank of the Bank of Scotland, says the group is particularly well balanced. With its strong capital base and short lines of communication it has both the ability and in the previous 12 months.

As reported on April 16, Scotland thinks that interest rates will stay high enough to cushion the blow for most of the remainder of the year. It may provisions of £32.99m (£29.36m) be, of course, that 1981 will be a losses. Stated earnings per 10p different matter. The balance sheet is in good shape, and there is scope for raising subordinated share are up from 8.91p to 12,26p, and the final dividend is raised from 2.22265p to 3p, for a total loan stock if there should be any of 4.135p from an adjusted pressure on the free capital ratio. One surprising feature of the annual report is the bank's attack

FIRST CASTLE

£990,594 to £1.44m, leaving the attributable profit higher at were struck after interest up were struck after interest up from £82,504 to £107, \$68. At halfway, the pre-tax profits had advanced from £236,000 to

The rights issue is on the basis

of one-for-four and not five as

PRE-TAX profits of B. and I.

reported earlier.

Nathan

After tax up from £59,157 to £297,938, full-year stated earnings per 25p share are down from 22.94p to 14.83p. The final divi-The shares provisionally allotted to Conor Finance under 3.63p.

dend is raised from 2.53p to 2.6p. making the total 4p against 3.63p.

20% expansion to £1m by Estates and General

of Scotland group is relatively large in leasing, and cautiously REFLECTING the first full property investment portfolio years trading by County and and that net assets per share Suburban Holdings, 1979 pre-tax have improved from 52p to 69p. profits of Estates and General retain a 60 per cent deferred tax Investments rose by 20 per cent They passed the film mark for the first time and finished at £1.03m compared with £0.85m. Patino challenges BRGM, Amax

1,694 807,658 418,159 8,697 8,697

Tax
Profit after tax ...
Extraord, credit ... Mingrity profits ...
To capital reserve
Attributable 96.855 48,622 149,686 123,270 352,420 237,570 Earnings per 20p share are shown to have risen from 2.99p to 3.4p and the net total dividend is raised by 16.7 per cent from 1.2p to 1.4p, with a final payment of 0.85p.

Cameron Pre-tax profits of Waverley

Waverley

Cameron, manufacturer of stationery, improved by £89,660 to £378,416 during 1979 from turnover higher at £2.88m against

After tax up from £143,390 to £145,399; stated earnings per 25p share are substantially higher at 96.04p (59.51p), and the dividend is raised from 11p to 15p.

HOWARD TENENS RIGHTS ISSUE

Howard Tenens Services rights issue has been taken up as rights issue has been taken up as to 2.966.488 shares (93.29 per cent). The balance of 213.512 shares has been sold at a premium of 8p per new share (less expenses). Net proceeds The directors consider there will be distributed to entitled is a surplus of some £2.5m on the shareholders.

Clyde Petroleum jumps to £2.7m rights issue plan

Clyde Petroleum, a small Mr. W. Gibson Biggart states in breeding and processing independent oil exploration that substantial progress has chickens and turkeys, employs This is that if a foreign (non-French) shareholder is invited to take an interest in Cofremmi, Patino has the option to require that its own 10 per cent stake in Cofremmi and royalty-profit licensing. The company also revealed more than doubled Patino wishes to exercise the option, but BRGM is resisting pre-tax profits yesterday at £2.7m. The issue involves 2,312,080 the claim on the grounds that new ordinary shares of £1 each on a two-for-seven basis at 200p it does not agree with the inerpretation of the agreement. a share. This represents a discount of 50 per cent at yesterday's price of 402p. Patino's desire to pull out of

the venture is no doubt prompted by the slow pace at The specific aim of the cash which it is proceeding and the call is to increase its participation inevitable escalation in its eventual capital cost which was estimated at FFr 2bn (£208m) in in the North Sea Sun Oil Appli-cation Consortium from 15 to 30 per cent. In addition, Clyde that from the high-grade Tynagh company's annual meeting it was estimated at FFr 2bn (£208m) in base metal mine in Ireland's stated that Westfield and North-County Galway which is nearing gate recently reached agreement. Patino considers that the lans to step up its investments for a joint uranium exploration feasibility studies for the project

in the U.S. Clyde is forecasting a dividend of not less than a maintained 2p net per share on the increased capital for the year to December,

company, is making a rights issue been made in all major areas of about 2,500 people. Last year's to raise £4.5m for further the company's activities. A comparticipation in the Seventh mercial oil accumulation has pared with £40m in 1978-79, but Round of North Sea oil block been confirmed on block 16/21 and other interesting prospects have been further defined on Clyde's remaining North Sea Onshore,

licences held by Clyde in the Isle of Wight and Hampshire areas are being increasingly recognised as especially pros-pective. "The merger with Dr. Colin Phipps and Partners has secured high calfore exploration and production staff and has provided an established UK service business with good potential. In North America, the groundwork has been laid for a marked increase in oil and gas production, while in Ecuador

position," he adds.

Rescue plans for **British** Anzani

NEGOTIATIONS for the rescue of British Anzani have reached an advanced and delicate stage, the company's counsel said in the High Court

By consent, Mr. Justice Vinelett adjourned for 14 days petitions by the Inland Revenue for the compulsory winding-up of British Anzani and two associated companies, British Anzani Construction and Anzani Construction (East Anglia).

He was told by counsel for Connaught Land and Property, creditors of British Anzani for £250,000, that Connaught was seeking to mount the rescue operation and was hopeful that British Anzani would carry on

The judge allowed further creditors to be added to the already lengthy lists of those sup-porting the Revenue's petitions. Counsel for the Revenue said that £45,000 had been received, which was to be spread over the Revenue's debts.

First half decline at S. Lyles

DROP of £87,192 to £365,486 pre-tax profits is reported by dver, for the half-year to Decem ber 31, 1979. Turnover improved from £6.01m to £6.8m, with the home market's share being f4.29m against £3.52m; and exports £2.52m against £2.49m. Mr. John Lyles, the chairman, says that while exports still continue at a high level during the current six months, conditions in the home market have, as expected, become more difficult, and this is likely to result in lower profits for the second half After tax down from £235,393 to £190,053, stated earnings per 20p share are down from 5.98p to 4.28p, and the interim divi-dend is unchanged at 2p

BP Canada

the first three months of 1980 totalled \$30m or \$1.41 per share, compared with a restated \$12.2m or 58 cents per share. The directors do not expect that the rate of increase in the

first quarter will continue for the balance of the year. However, the net increase in 1980 can be expected to be higher than in 1979, they static.

Allied Plant profit soars by 156%: confident for 1980

Financial Times Wednesday April 30 1980

TAXABLE PROFITS of Allied on its acquisitive way, maintain-Plant Group seared by 156 per ing very strong growth in profits cent to £1.2m in 1979, compared as well as rumover in 1979. The higher turnover of £10.66m, against £5.4m.

from 0.85p to 1.575p, with a final of 0.875p. Interim pre-tax profits expanded £517,000 (£206,000), and the directors said the group

momentum with most encouraging second-half prospects. Mr. Michael Heathcote, chairman, now says the directors are confident of their ability to beat the continuing economic problems of 1980 and to maintain

the rising trend in earnings and assets per share. Stated earnings per 10p share increased from 4.27p to 7.94p in 1979, while assets per share are given as 24.07p (15.38p).

• comment Allled Plant continues merrily 21p per share.

with £0.47m, on substantially mix is changing, with land development now accounting for against 55.4m. half of profit more than the comhalf of profit more than the company would like. Plant hire has
hom 0.85p to 1.575p, with a final
grown to 25 per cent of profit
with the Datsun fork lift
franchise doing well while the
apanded 5517,000 (5206,000) plumbing and heating side. which produced only 13 per cent of profit, is expected to perform was well placed to maintain better this year with the acquisition of M. Walker and Son. The yield on yesterday's gain of 1p a share to 36p is 6.6 per cent while the fully taxed p/e of 9.3 will probably support further acquisitions.

WATMOUGHS

in the current year.

in the U.S. 201.

• comment

Capital spending will be reduced to between £50m and

£60m in 1980, against £86m in 1979. Over the last three years,

£270m, of which £133m had been

invested in "expansionary projects" such as additional newsprint plant and machinery

On a current cost accounting

basis, Bowater's pre-tax profit in 1979 was £51m, its profit before extraordinary items and gearing

Bowater seems to have had a

especially in its important North American business. This news.

adjustment came to £16m.

Watmoughs (Holdings) an-nounces that acceptances were received for 1,198,928 ordinary shares representing 95.9 per cent of the recent rights issue. The remaining 51,072 ordinary shares have been sold at a premium of

Bowater looking to U.S. for advance

prospects for a profit improvement in the current year. Lord Erroll of Hale, the group chairman, said yesterday that he is expecting a "breakthrough" 1979. Over the last three years, in earnings, to be fuelled largely the company said its worldwide by the North American paper, capital expenditure had been pulp and newsprint business. "We have had a good first quarter in North America. There is additional machinery in place and there has been a 3 per cent

growth in U.S. consumption of newsprint in the first quarter," Last year Bowater made £91.3m

pre-tax, a very slight increase over £90m in 1978. The group lost £6m because of adverse currency translation and also suffered from another £6m in losses from its cotton trading business, Ralli.
Lord Erroll said yesterday that Ralli was back into profit in the first quarter and he hoped it would stay that way in the

Bowater has reduced its overall

together with a return to profit by the Ralli concern suggests commodity trading problems in cotton and rubber to Bowater difficulties in "hedging last that the group may be able to nudge closer to the top end of the £100m-£110m range of out-

group has had static earnings since 1977, it strengthened its net borrowings from £207.6m in balance sheet cinsiderably last 1978 to £151.8m last year, Furthermore capital According to the chairman expenditure is expected to fall gearing was lowered from 46 per in 1980 and cash flow should be in 1980 and cash flow should be

BIDS AND DEALS

Grand Met continues fight to block Liggett's French deal

making a \$415m takeover bid for to overturn another Delaware the U.S. tobacco and drinks court order that it must wait 20 group Liggett, will continue to seek legal means to prevent Liggett from selling a drinks subsidiary to the French group, Pernod Ricard.

Last Friday, a Delaware court refused to grant Grand Met. a temporary restraining order on the \$07.5m sale of Liggett subsidiary Austin Nichols to Pernod Grand Met had argued that the sale was not a genuine business transaction and had been entered into only to frustrate its attemyts to buy Liggett

In London, Mr. Stanley Grinstead, Grand Met's deputy chairman, said the company will try to bring cases before other courts in an attempt to prevent the completion of the Pernod

He refused to say whether or not Grand Met would proceed with its takeover bid if the Austin Nichols subsidiary were

court order that it must wait 20 internal resources." days between announcing a tender offer and proceeding with it. Grand Met announced its bid on April 14

Meanwhile, an attorney for the Annzel Construction Corporation employees profit-sharing trust, a Liggett shareholder, has filed a class-action suit against Liggett and its directors in a Delaware court It seeks to enjoin Liggett from continuing its opposition to the Grand Met offer, the removal of Liggett's directors and the appointment of a receiver to manage its affairs. Given the U.S. Federal

Reserve's recent efforts to limit foreign bank borrowings to finance purchases of U.S. corporations, Mr. Grinstead was finance asked how Grand Met would finance any increase in the cost of its bid for Liggett.

the balance from our WATSON & PRILIP

ACQUISITION Watson and Philip has acquired 75 per cent of Scotts

Self-Drive Hire, a wholly-owned subsidiary of Metravision (GB), for £450,000 cash, subject to **EUROPEAN**

FERRIES Two deals involving European

Ferries \$250m commercial property development scheme in Denver, Colorado, are expected #ffiline to be announced late Wednesday.

STANDEX/J. BURN The Standex International offer for James Burn (Holdings) has been declared unconditional. Acceptances and shares "We don't contemplate in already held amount to 94.5 per creasing our offer," he said. "We cent of the isued share capital have arranged financing for the of each class.

Cargill buys 90% of Sun Valley

U.S., the agricultural merchant, is to acquaire 90 per cent of Sun Valley Poultry, the Hereford-based poultry concern. The remaining 10 per cent of the Sun Valley equity is to be retained by the executive directors and their families. At the proposed price of £46 a share Sun Valley is capitalised at same £17.3m.

Sun Valley is an unlisted public company founded in 1960 by a number of West Midland farmers with poultry interests. The Union International Company acquired a 50 per cent interest in 1963. Sun Valley, which is engaged

profits fell from £3.1m to £1.4m due to adverse trading condi-

Cargill, Cargill, a privately-owned company with headquarters in Minneapolis, Minnesota, is completing the deal through Cargill-Albion, a UK-based subsidiary. It said yesterday that it pro-posed to expand the Sun Valley business and intends that the group should continue to operate under its present name and management.

BARR & WALLACE Barr and Wallace Arnold Trust has agreed to purchase the assets and goodwill of a VW/Audi motor dealership in Ardwick, there is a noticeable overall Mancheser, from William Arnold improvement in the company's a private company, for an initial consideration of £499,000.

total consideration will exceed £750,000—ali cash. The assets being acquired, other than stock, comprise lease-hold property at an open market value of £370,000 and other fixed essets of £70,000. In addition, Barr and Wallace

has agreed to dispose of the Ford dealership and certain assets of Skelly's (Chambarton) to Strathford Motor Company for £140,000. This subsidiary formed part of Scottish Transit Trus acquired in February, 1979. Net book value of assets dis-posed of total £140,000 and the

loss attributable to these assets about £76,000. OOC/FURNESS

Shareholders representing 93.55

per cent of the equity of Furness Withy have accepted the £112.5m offer by Orient Overseas Containers (Holdings), part of the C. Y. Tung Group. As a result the offer has become unconditional. Antony Gibbs Holdings.

advisers to Orient said yesterday that the offer had also become unconditional following the implementation of the capitai reorganisation of Furness, a scheme which was approved at the extraordinary general meeting on April 25; and the announcement on April 24, 1980, on behalf of the Secretary of State for Trade that the deal

existing ordinary stock (93.55 per cent). Some £568,520 of the acceptances were for the loan note alternative; and acceptances were received for 130,597 preference shares.

TURNER & NEWALL Manti Turner and Newall has agreed in principle to sell its 40 per holding in Hardle cent minority holding in Hardle cent minority holding in HardieFérodo Pty, of Australia, to
James Hardie Industries for
A\$4.42m (£2.15m) cash. This
makes Hardie-Férodo à wholly
owned subsidiary of James

Turner and Newall is the west and Remain in the first parent company of Ferodo in the UK. The association between the UK. The association between Ferodo and Hardie-Ferodo will continue: Hardie-Ferodo will still sell its products under that name, it will remain the Australian vendor for Ferodo's products, and if will continue technical interchanges with Ferodo.

Agreement in principle nas also been reached with Acrail which will acquire T and N's minority stake in Acrail Plastics The management of the control of the erodo. Agreement in principle has

NEEDLERS BUYS Needlers has acquired the whole issued share capital of Dhikson Orde and Company (Holdings) for a total cash consideration of £330,000. State for Trade that the deal The pre-tax profits of Dickson would not be referred to the Orde for the west to October II. Monopolies and Mergers 1979, were 175,197 and net tangible assets were 226229; At The valid acceptances received the same date Dickson Critic and represented £25.08m of the cash balances of £129.080.

المكتان المكان

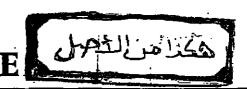
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Man The Property of the Proper

into coal. Sunshine Mining of

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INTERNATIONAL COMPANIES and FINANCE



COMMODITY-LINKED BONDS

Putting poor countries into rich portfolios

SECURITIES with redemption credit-worthiness is one of the terms indexed to the price of main reasons why the Third some commodity are being World may have difficulty with incraesing fre- financing the deficits caused by quency this year. In April we have seen the announcement of the first securities convertible gives the investor direct

bonds backed with silver. There have been rumours of a forth--coming Euro-bond backed with The preferred share issue gold. The months ends with a Government "petro-bonds" whose redemption price is linked to the price of Mexican Various forces are combin-

ing to push these odd hybrids into the light. Inflation, and more important, uncertainty over its future course, make it increasingly difficult for borrower and lender to agree upon just terms for long-term borrowing. As the reputation of money as a store of value dwindles, some physical definition of worth can make a bond more acceptable to the investor. and greatly reduce the interest cost to he borrower.

A commodity link can also increase the credit-worthiness of the issuer in the eyes of the investor, if the issuer is a prodoucer of the commodity to which the bond is geared. This which the bond is geared. This by the percentage rise in the of about 13-14 per cent. is of mounting significance at price of Mexican crude less the This discounted cash flow a moment when the problem of interest paid over the life of argument increases in strength

recourse to the source of the the U.S. has successfully floated borrower's wealth - country risk becomes commodity risk.

> planned by Semirara Coal The previous, second, series of Corporation of the Philippines is an example. It will pay a fixed dividend of 16 per cent and will be convertible into coal after four years (until then it will be convertible into ordinary shares of the com-pany). The investor is to be promised 33 tons of coal for a unit costing \$1,360 or he can opt for the cash equivalent, less about 5 per cent.

The Mexican "petrobonds" are another example of a developing country issuing securities which are attractive to Western investors. The new series is closely modelled on the previous four issues. It will raise pesis 5bn for three years at 10 per cent after withholding tax. The bonds are geared rather cunningly to the price of Mexican crude. The investor is repaid his initial investment increased

is heighened by the fact that interest saved today is many times more valuable than a redemption premium paid out in 15 years time. Without the silver-link, Sunshine Mining would have had to pay interest of about 13-14 per cent.

the purpose of the new issue is

\$30.5 per barrel: the posted price is currently \$32, so the

bonds are off to a running start.

petro-bond, redeemable in April,

1981, are already standing at

200 in the market, showing that

the gamble has paid off for investors before. Phillips and

Drew have details of the new

The latter is currently worth \$700 following the recent rapid

decline in the price of the metal

-but there are 15 years to go.

The attraction for the issuer

Sunshine Mining of the U.S. is

30 per cent over three years for is a disadvantage, is less congold basis for the world's curthere to be any increase in the scious than the corporate rency system.

cumulative yield to the investor. treasurer and his investment. The chart shows the magni-The starting price of crude for banking adviser.

Commodity linked bonds thus become an increasingly attrac-tive financing instruments as interest rates rise. Nevertheless, the history of gold-backed bonds in France is a forecful reminder that an issuer without natural access to a commodity is going out on a long and thin limb if he sweetens a bond issue by indexing it to that commodity.

Just as British companies burnt Just as British companies burnt their fingers borrowing low interest Swiss francs in the early 1970s, others could come to regret their commodity liabilities in the 1980s. It is for this reason that the first gold-backed Euro-bond, when and it is comes will probably be issued. paying only 8½ per cent on its \$25m of 15 year sliver bonds. Each \$1,000 certificate will be redeemed at \$1,000 or 50 ounces of silver, which ever is greater. it comes, will probably be issued by a company wich either pro-duces or has large stocks of

> Valery Giscard d'Estaing, raised at a coupon of 7 per cent in 1973. This bond issue had a 'safeguard clause" which phovided that redemption value

tude of the liability which the French state thus incurred -FFr 6,475. If the price holds at this level the Government will have to repay FFr 42.5bn when the bond matures in January, 1988.

The sum is so great that the recent price of the bond has reflected not only doubts about the price of gold but also doubts that the Government will honour the gold safeguard clause. As a result the current price of the "Giscard" band undercuts the current thinked redeminion value about 40 per cent

The classic case of expensive ment advisers in Paris who borrowing was the FFr 6.5bn derive almost a full time occuwhich the French Government and the then Finance Minister. particular, anything which sug-gests that the French franc may be inching back towards a gold parity—like the gold backing recently given to the European Unit of Account—can send a would be linked to the gold price frisson through the market.

The safeguard clause is com-

ment will not try to find a tech-nical way out of its gold-linked obligation. The "Giscard" thus appears an interesting way of investing in gold — certainly and without the comfort of gold better value — than the other figures, were made to the same mines to foot the bill. Issued at gold-backed French Government par in 1973 each FFr 1,000 unit bond, the "Pinay," whose rewas quoted late last week at demption value is linked to the bond issue, which must be price of the gold Napoleon. This is now trading at a price of 1.6 per cent over its gold Napoleon

> investors that the coin is itself trading at 60 per cent over its intrinsic gold content. Despite the daunting example of the "Giscard," there are a number of reasons why the commodity-linked bond may be a form of financing whose time

has come.

redemption value, and so popular is the Napoleon with French

Bankers and central bankers the world over are wondering how the oil wealth, and the wealth of the developed world, can be invested in the develop-ing world without over-exposing the international banks. The bond market has so far made a small contribution.

In 1979 international bond issues totalling only about \$3bn were floated for countries outside the OECD and OPEC. To provide a solution to the second

by development institutions like the World Bank. These figures are dwarfed by the \$41bn of new international bank loans which, according to OECD

Part of the reason is that a bond issue, which must be placed with investors and not banks, cannot have the financial direct loans could give them a fire power of the syndicated more tangible stake in the loan. A bank loan deploys a wealth of a developing country. pool of many investors' savings. syndicated loan deploys a pooling of those pools—it is a form of finance a whole order of magnitude larger than the bond

But it is also evident that the individual investor, whether he be a Belgian dentist or an OPEC treasurer, is more reluctant to expose his savings to the sovereign risk of a Third World borrower than is a syndicate of banks. This reluctance has been compounded in the last few years by market conditions—a steady trend towards higher inflation and higher interest rates—which have not. encouraged investment in any fixed rate bonds whatever their

The bond markets can never

the bond—or is repaid at par, as long term interest rates rise if the parity of the French franc Nevertheless, according to the whichever is the greater.

—and it is arguably something in terms of gold was changed or . Paris brokers Bertrand Michel, the almost \$4bn raised through same way that the banks protectively, therefore, the oil has to rise about every advantage to the borrower when the IMF abandoned the cation recently that the Govern-by development institutions like this sum must be added part of "recycling problem" in the same way that the banks protectively, the international bond market when the IMF abandoned the cation recently that the Govern-by development institutions like this sum must be added part of "recycling problem" in the same way that the banks protection by development institutions like this sum must be added part of "recycling problem" in the same way that the banks protection by development institutions like the same way that the banks protection by development institutions like the same way that the banks protection by development institutions like the same way that the banks protection by development institutions like the same way that the banks protection by development institutions like the same way that the banks protection by development institutions like the same way that the banks protection by development institutions like the same way that the banks protection by development institutions like the same way that the banks protection by development institutions like the same way that the banks protection by development institutions like the same way that the banks protection by development institutions like the same way that the banks protection by development institutions like the same way that the banks protection by development institutions like the same way that the banks protection by development institutions like the same way that the banks protection the commodity linked bonds could make a lively, if minor, contri-

To OPEC treasurers conscious of te abysmal performance of money-dominated investment in the 1970s and wondering why they bothered to get the oil out of the ground, commodity-linked securities or commodity linked

To the borrowing country the advantage of commodity-linked bonds is the prospect of lower rates of interest at a time when the rate it is paying on floating rate syndicated credits is painfully high. Such bonds also offer a form of participation to the investor which does not compromise the economic independence of the borrowing country. Unlike equity finance or direct investment such bonds do not

involve transfer of control to the foreign investor. The past ten years have shown straight debt to have its limits as a way of recycling. It is a poor deal for the lender and it increasingly burdens and hobbles the borrower. It must now be supplemented with other more participatory forms of

Hunt family mortgages property worth \$3.2bn

BY JOHN MAKINSON IN NEW YORK

THE HUNT family of Texas has mortgaged oil and gas properties worth about \$3.2bn (£1.4bn) to meet losses sustained when the silver market collapsed last month.

The largest element in the mortgaging operation is a \$2bn loan note secured against virtually all the assets of Placid Oil, a family-owned

Placid has borrowed \$750m of the secured loan, of which \$400m has been passed on to Nelson Bunker, W. Herbert and Lamar Hunt, the brothers who accumulated enormous railver holdings before the recent price collapse.

loan has been assembled by a group of banks headed by First National Bank, Dallas, and Morgan Guaranty. Morgan Guaranty said yesterday that the \$2bu figure was "an arbitrary legal amount? which did not

available credit. He declined to specify the Hunt family's borrowing limit but said it had not been reached.

The loan note will be supplemented by a credit of about \$1bn which, as reported last week, is being negotiated

This page contains a summary of the material would appeared on yesterday's International Companies and Finance pages

with leading U.S. banks. A small amount of the credit may be used to pay off part of the \$2bn loan outstanding under the note but the bulk of it will go to meet claims by banks and brokerage houses.

The Hunt brothers owe futures contracts and the collapse in the price from \$50 an ounce to a current level of about \$14 has left them unable to pay.

Several participating banks had hoped that the new \$10n loan would be signed by the end of last week but negotiations are still in progress. The banks, with the Federal Reserve Board, are anxious to ensure that the security for the credit is satisfactory and that the funds cannot be used for further speculation.

The \$1bn loan has drawn heavy criticism in Washington, where both the House and the Senate Banking Committees plan hearings. Nelson Bunker and W. Herbert Bunker have been subpoena'd to appear before the Sub-Committee on commerce, consumer monetary affairs in Washington today.

made for the Hunts indicates their losses on silver are

INTERNATIONAL CAPITAL MARKETS

\$70m loan raised by **Credit National**

FRANCE'S State-controlled industrial financing corporation, Credit National, is raising a \$70m syndicated credit through Credit Lyonnais and Caisse des Depots. This is the first syndicated credit arranged by a French borrower this year and is on the fine terms trawarded to France. terms traditionally

The loan is for tin years at a split spread of I per cent for the first five years rising to 1 per cent thereafter.

These conditions are only marginally different from Credit National's \$100m credit arranged last July which bore a spread of | for the first three years and } for

further feature of the Credit National loan is that only \$50m of the total is to be raised in dollars.

Hattori buys

K. HATTORI AND CO, the

has agreed in principle to buy

the sales section of Jean Bouchet Lassale SA, a small

Swiss manufacturer of extremely thin, high-quality,

mechanical watches. Hattori

plans to combine its own very

thin quartz watch mechanisms

sales arm

of Lassale

Sharp rise in DM bonds

BY FRANCIS GHILES

THE LARGE size of the new Deutsche Mark foreign bond issue calendar for the next four weeks (between DM 800-850m) agreed by the German Capital Markets Sub-Committee late last Friday, confirms that the fortunes of this sector of the Eurobond market have taken a turn for the better.

It contrasts sharply with the figure of new issues agreed to one month ago, a paltry DM 100m. During the course of the past four weeks the initial figure has risen more than tenfold as interest in foreign Deutsche Mark bonds revived initial investor interest coming mostly from domestic German investors but later spreading

GERMAN CAPITAL MARKETS

Date of meeting	foreign i	
Oct. 22 Nov. 13	 approved 450 400 1,200 640 580 100	
Apr. 25	 600	

Domestic investors are still DM 50m private placement for keen to buy foreign DM bonds a Japanese borrower. Dresner because they yield more than will announce a DM 100m issue domestic bonds. Foreign inon May 22 and Deutsche Bank vestors meanwhile are finding their way back into DM bonds will close the calendar with a DM 150m issue for a nonbecause they are convinced DM European government. interest rates will not fall sub-Other issues for supranational stantially even if dollar rates do. borrowers, which are not technically included in the calendar The new issue calendar will

be opened by Bayerische Landesbank with a DM 100m private placement which it will arrange with the sole help of Swiss Bank Corporation. This will be followed on May 5 by a DM 100-150m private placement through Deutsche Bank for a European state address; on May 12 by

a DM 150m public issue for a Japanese company through Westdeutsche Landesbank. On

the following day Deutsche Bank will arrange a DM 100m issue for a European industrial address and on May 20 Westdeutsche Landesbank will arrange a DM100m issue for ai address as yet unknown.

Bayerische Vereinsbank will

SOND J F M A

1979

Daimaru, the second largest highest growth in sales among

store operator, achieved only the five stores with a gain of

time workers. Sogo enjoyed the

Mitsukoshi and Daimaru aim

1980

might be agreed if the market

SECONDARY MARKET

YIELD ON FOREIGN

continues to be buoyant.

Increases in profits at George Weston By Our Financial Staff

THE STRENGTH of its food distribution division in U.S. markets played a significant role in the increase in first quarter earnings at George Weston, said the company, which reported net income for the period of \$12.5m or 83 cents a share before txtraordinary items, against \$11m or 80 cents. The Canadian company is raising the quarterly dividend from 31 cents to 35 cents a share. Sales in the first quarter increased by 148 per quarter increased by 14.8 per

cent to \$1.5bn. Operating incom: From food distribution movet up from \$10.8m to \$17m, sp. red on by the strong performance of the

Loblaw Companies in retail and wholesale marketing. The forest product division also turned in operating income of \$10.9m, helped by higher product prices Mr. W. G. Weston, the chairman, said it will be increasingly difficult to stay ahead of last year's earnings levels as the year

South African tyremaker

By Jim Jones in Johannesburg

lifts profits

GENERAL TIRE, the South African tyre and rubber producer, which severed links with its U.S. parent last September. has reported turnover for the 14 months to February 25 of R105.5m (\$131.4m), compared with R73.5m for the year to December 31, 1978. On an annualised basis pre-tax profit advanced by 6.5 per cent to R14.6m (\$18.2m), against R4.7m for the previous year. Taxed profits came to R8.58m for the 14 months compared

Estimated operating profits 1980-81 Ybn change % 22.7 +10.0 10.9 +15.3 10.3 + 0.9 with R7.02m.

BY JAMES FORTH IN SYDNEY DAVIDS HOLDINGS.

grocery group, appears to have won a bitterly contested A\$38m

Upon relishting, Davids bought in the market and immediately picked up close to 25 that the deferred consideraton per cent of Campbell's capital, constitutes an unsecured loan, giving it 49 per cent of its and is therefore a security and the rival wholesale grocer, A. giving it 49 per cent of its and is therefore a security and G. Campbell Holdings. The target The suspension had been requires a full cash bid. It directors of Campbell have imposed because Davids was attacked the Sydney Stock buying in the market after anwhich is a private company, to Exchange for lifting a suspennouncing a partial offer—a give details of its audited sion of trading in Campbell tactic which will be prrevented accounts and profit and loss shares after Davids agreed to make a time-payment bid for over legislation Davids initially ments, which is not necessary offered ASRMO a share for a 30 for a straight cash offer. offered A\$8.00 a share for a 30 for a straight cash offer.

Davids per cent stake in Campbell and imthat the deferred consideraton give details of its audited accounts and profit and loss

Bank of China joint venture with Japan By Charles Smith, Far East Editor in Tokyo

SIGNODE

STERLING DRUG

U.S. TOBACCO

WASHINGTON POST

 Revenue
 151.2m
 130.3m

 Net profits
 3.8bn
 7.86m

 Net per share
 0.27
 0.48

-First quarter

SQUIBB CORPORATION

THE BANK OF TOKYO has announced that it has reached agreement in principle with the Bank of China on the establishment of a joint venture finance company in Hong Kong, in which it would be a 50 per cent partner. The Bank of China, and its Hong Kong affiliate the Kincheng Banking Corporation. would hold the remaining shares in the venture.

183.7*m* 162.5*m* 12.39m 9.74m 1.57 1.24

AMERICAN	QUA	RTE	RLIES	_ •		· · · ·		<u> </u>
SHLAND OIL			DIAMOND INTERNATION	NAI.		JOHNSON CONTROLS		
Second quarter evenue st profits et per share		1979 \$ 1.55m 27.2m 0.71	Revenue Net profits Net per shere		1979 172.7m 13.26m 0.98	Second quarter Revenue Net profits Net per share Six months		1979 S 195.8m 7.89m 0.57
evenue et profits et per share ARPENTER TECHNOLO	123.3m 4,09	3.0bn 77.9m 2.04	First quarter	1980 . CS	1979 CS 356.6m	Net profits	20.11m	481.5m 29.11m 2.10
Third quarter	1980 \$ 159.1 m 13.6 m	1979 \$ 131.1m 12.3m	Net profits	35.7m 2.23	1.78	M. LOWENSTEIN First quarter 4 Revenue	1980 \$ 159.5m	1979 \$ 148.5m
AT PET Share Nine months svenue st profits st per share ENTRAL TELEPHONE 8	29,9m 3.49	1,43 331.8m 27.3m 3.19	First quarter Revenue Net profies Net per share	1980 ` \$ 244,4m 12,64m	1979 \$ 204.9m 10.98m 0.59	Net profits Net per share	2.08m 0.62 1980 S 185.8m	2.87m 0.42 1979 5 163.3m
First quarter set profits at profits to per shere	21.19m	19.64m		1960 \$ 136.8m	1979 \$ 105.7m	Net profits	9,45m 0.97 110N 1980 C3	8,36m 0,26 1979 CS
Third quarter		1979 \$ 142.3m 6:93m	Nat profits	38.0m 2.00	31.5m 1.64	Net profits	2.5m 0.36	1.2m 0.18
Nine months	0.36	0.31 412.7m	First quarter Revenue Net profits	1980 \$ 294,8m 11,3m 1.88	1979 \$ 284.4m 805:000 0.41	First quarter Revenue Net profits Net per share	\$ 315.5m	1979 \$ 270.7m 23.3m 1.42

ues fight

BNP strengthens capital base

BY DAVID WHITE IN PARIS

Government's proposals for the FFr 203m. Operating profit be-The overall balance sheet was 33 per cent higher than It is also to raise its capital total for the group, including the previous year at FFr 1.92bn. by FFr 113m by incorporating the bank and companies in The bank's assets rose recorders.

The bank itself showed a 20 nounced plans to reinforce its after an increase in corporation

BANQUE NATIONALE de Paris which it holds at least 50 per FFr 69bn to FFr 375bn. The (BNP), France's largest comcent, rose FFr 71bn or just volume of clients' deposits inmercial bank, increased its con-under 22 per cent to FFr 397bn. creased 18 per cent during the year, and loan activity rose by solidated net profit last year. The bank itself showed a 20 year, and lo to FFr 584m (\$139m) from per cent increase in net earn-FFr 528m in 1978 and has an ings to FFr 402m. This was The bank The bank is proposing to

double the nominal value of its capital base in line with the tax to FFr 205m from shares to FFr 200 as a result of the revaluation of accounts.

-Government aid for Youghal Carpets

By Our Financial Staff YOUGHAL CARPETS (HOLD-INGS) is to get an Irish £3.5m (\$7m) capital injection from an Irish Government financial agency to strengthen its capital base and help reduce the burden of interest payments.
The agency, Foir Teoranta, will take up preference shares which will be partially convert-ible into ordinary shares at par

Salzgitter says European steel crisis continues

BY ROGER BOYES IN BONN

SALZGITTER, the West German state-owned steel company, has warned that the European steel crisis is by no means over despite the relatively good results recorded by

Herr Ernst Pieper, chairman half of this year to September 30, but was faced with flagging 8 per cent to DM 9.4bn in demand for steel from the ship- 1978-79, but this was largely and will be redeemable 1988-97. The issue is subject to share demand for steel from the ship-

Although Herr Pieper did not spell out the fact, it is evident that Salzgitter executives fear that the group will drop back into the red this year. The country's main producers last group managed to break even last year after losing DM 100m (\$56m) in 1977-78, thanks to of Salzgitter, said the group was higher demand for crude steel still in the black for the first and the general upswing in the economyl. Group turnover rose because of acquisitions.

Atlantic Richfield boosts earnings

BY DAVID LASCELLES IN NEW YORK

earnings were reported by U.S. \$5.4bn. earnings were reported by U.S.

Mr. Robert Anderson, chairman, noted that rising oil prices
and increased Alaskan produclarge Alaskan producers, tion had contributed to the year's \$27.9m or \$0.98, which announced first quarter net earnings gain. The stronger earnings of \$426m or \$3.45 a price of copper had also raised \$242.2m or \$1.98. copper subsidiary.

MORE SHARP increases in oil Revenue rose from \$3.5bn to

share, up 75 per cent on last earnings at Arco's Anaconda

Allied Chemical, the large chemical company with significant oil interests, reported earnings of \$68.3m. or \$2.06 per share, more than twice last were depressed by losses from operations which were later discontinued. Sales were up from \$845m to \$1,384m.

SCANDINAVIAN NEWS

SKF expects to gain despite recession

BY VICTOR KAYFETZ IN STOCKHOLM

DESPITE THE current reces- dend is SKr 6 per share, up sion in the U.S. and a probable from SKr 4.50, for a total divi-10-15 per cent above 1970 levels. SKr 81m. Increased efficiency and intensified marketing efforts "should SWEDISH MATCH group has make significant improvements reached agreement in principle
in group earnings possible," to take over Universal Match, SKANSKA Cementgjuteriet,
SKF says in its 1979 annual the match division of UMC Inreport.

SWELDISH MATCH group has
teached agreement in principle
to take over Universal Match, SKANSKA Cementgjuteriet,
SKF says in its 1979 annual the match division of UMC Inreport.

(\$109m) on sales that rose by said the acquisition would have posting a 1979 figure of

downturn in Europe during dend payment of SKr 108m fol-1980, Sweden's SKF group be lowing four consecutive years lieves that sales can be raising when the total was frozen at

Last year, the bearings and this at the annual general meetsteel group more than doubled ing in Stockholm, Mr. Gunnar improvement in pre-tax profit its pre-tax profit to SKr 475m Dahlsten, managing director, after extraordinary items by 16 per cent to SKr 11.06bn great strategic value for (\$2.55bn). The proposed divi- Swedish Match.

100m (\$23m) a year, Universal Match is the largest producer of advertising matches in the world. It has factories in Hudson, New York and Ferguson, Missouri.

SKr 346m in 1978.

With a turnover of some SKr

tion proposal by Han America, a subsidiary of Franz Heniel and cie of West eighth month of a slight SKr 436m (\$101m), up from

HanAmerica By John Makinson in New York THE BOARD of Pacific Gamble Robinson the retail food company has unani-mously rejected an acquisi-

Han America had proposed buving 900,000 shares at \$32 follow on May 21 with a

Four out of five advance

BY YOKO SHIBATA IN TOKYO

FOUR OF JAPAN'S five leading earnings setback. department stores, Daimaru, Takashimayn, Matsuzakaya and Sogo, increased earnings in the single-figure growth in operational state of the single-figure growth in operation of t helped by the strength of con-

with expensive Lassale cas-ings for sale in Surope and Jean Bouchet Lassale was established in 1973 to produce

what are claimed to be the world's thinnest mechanical watches, selling at the top of quality Swiss watch line. Hatttori will take over Jean Lassale SA, the marketing affiliate, and continue to sell under the Swiss brand name. The terms of the takeover have not been disclosed. Jean Lassale began selling watches in 1977 at a rate of about 2,000 units per year. Hattori expects that it will

produce in addition, about 2,000 thin quartz watches with Lassale cases, with sales starting by the end of this year. Sales may eventually spread to Japan, where Seiko dominates the watch industry.

GE merger called off By Our New York Staff

A \$500m MERGER between Cox Broadcasting and General Electric Company (the largest U.S. producer of electrical equipment), agreed last year, has been called off, apparently because of differences over the price.

The merger, which would have been one of the largest in the broadcasting industry, had taken so long to arrange that the original plans for the deal no longer looked satisfactory to Cox, which owns and operates five television

rejects bid by

JAPANESE DEPARTMENT STORES

burden and a reduction in net financial income (down Y550m

(\$48m) increase in interest- at double-figure growth in

musukosni, the largest such store, alone suffered a setback in earnings—its first in 25 years.

Increases in the investment of the investment of the opening of a mass sales cuts in sales costs, and in wages bills with the opening of the investment of the opening of a mass sales cuts in sales costs, and in wages bills with the opening of the investment of the opening of a mass sales cuts in sales costs, and in wages bills with the opening of the opening of a mass sales cuts in sales costs, and in wages bills with the opening of the opening of a mass sales cuts in sales costs, and in wages bills with the opening of the opening of a mass sales cuts in sales costs, and in wages bills with the opening of the opening of a mass sales cuts in sales costs, and in wages bills with the opening of the opening of a mass sales cuts in sales costs, and in wages bills with the opening of the op

attained double-figure gains in earnings, helped by a cutback three store operators forecast in personnel costs through an that their earnings will stand

to Yibn) were blamed for increase in the numbers of part- still or fall.

Matsuzakaya Grocery groups in bid battle

(US\$41.7m) takeover bid for

the entire capital.

Pacific Gamble

Germany.

COMPUTING

Data General's bid

It makes use of the latest cir- pay. . . cuit technology to incorporate the company's own VSLI chips competitive sector of the marin memory and elsewhere so that, for instance, a user program address space of 512m believes the new equipment wil characters of information is achieve rapid penetration in its provided which, Data General sector, principally because of points out, is 32 times as much the wealth of software it offers. storage system.

SIMULTANEOUS launch took over 4bn characters and, more, place yesterday in London, over Data General has elected Frankfurt, Paris and New York to launch the machine with a of a Data General "supermini" complete set of 32-bit software aimed directly at the more while ensuring that it will powerful end of IBM's laggard successfully run existing 16-bit routines already developed. All Eclipse MV/8000 has a num- this is achieved with no emulaber of important characteristics, tion of simulation penalty to

Although this is an exeremly ket, Ray Fortune, Data General's European marketing director, He agreed that the technology Virtual memory provided is was moving very quickly, per- on 01-572 7455. 🤆

Fortune expects immediate applications of the 8000 to be in the university and communications. in the university and computa-tional markets, but also sees WOTK major interests from commercial users, apart from those who already operate earlier Eclipse equipment and whose invest-

though this has been the case

may systems and just under £330,00 for a large commercial array, it is clear that Data General is aiming for a very large wedge of the mid-range

Three processors are used. One is the central processor, while system control and input/ output are also governed by their own processors.

Up to 128 user terminals can be supported and up to 255 prosimultaneously with the new advanced operating virtual

Further from Data General

New routines less of a problem

can be achieved in one-third to manufacturing concerns, includone-fifth the usual time through ing the Institute itself.

a new approach developed at Data bases using the system the Weizmann Institute of have already been designed in Science, Rehovot Israel.

a large Government facility and as a result, automation of personnel requirements and organi-generator, it operates in con-sation was completed much junction with its own data bate earlier than possible using a management system and perconventional approach.

the areas of general accounting, Known as DB1 the method inventory control, personnel was first tried out last year at management and orders orders

A unique application program onventional approach. forms all the common functions
Aside from manpower and of defining, coding and updating budgetary savings, DB1 was a user's data base requirements found to be extremely reliable —without the need to write spe- Yeda Research and Develop-during a full year's operation cialised update programs. In ment Company in Rehovot.

ORGANISING computer pro- and has since been adopted by fact, it eliminates most of the grams to deal with new tasks several research centres and need for programmers, de-

The specifications prepared by a systems analyst are simply forms which are then used by DB 1 to create data definition files. These are then available to the system to perform all the functions necessary to create and maintain the user's actual stored data.

Contracts for licensing DB 1 are negotiated through the Weizmann Institute of Science

Will train the customers

ICL HAS entered into an agree- the two companies will jointly cassette and printed materials. video training organisation, under which ICL will market ASI produced video courses to its UK customers.

(consisting of over 350 cas- courses. settes) immediately available, Each

This venture is seen by ICL as an extension of its training

services, providing an economic method of training which com-In addition to over 60 courses plements in-house training at a time,

Each video module has S.W.15, 01-788 7272.

ment with Advanced Systems produce new video training ICL will supply video cassettes Incorporated (ASI), a leading courses for ICL's customers. through a library subscription contract which will entitle the ICL user to use the cassettes of his choice for a month or more

ICL House, Putney, London

Processor is a fast worker

A POWERFUL array processor that AP 400 will open up many for X-ray scanners, sonar and able to perform up to 10m new opportunities to apply radar systems. instructions per second has array processor technology. The company been launched in the UK by Analogic after 18 months before. In the U.S. the pro-successful sales activity in the cessor has been widely applied U.S. where over 300 of the machines, called AP 400, have

At a starting price of about

where it was not practical future, many systems will be

in the processing of signals aided design and manufactur-from seismic, speech and vibra-tion sources.

More from Analogic at 68

The company believes that in

use d for robotics, automatic cessor has been widely applied test equipment and in computer

At a starting price of about Another major area of appli-High Street, Weybridge, ding process wh £12,500, the company claims cation is in image generation KT13 8BN (Weybridge 41251). able bag is full.

haps too quickly for many users.

PACKAGING

ment in systems and software is. ANTIBIOTIC SYRUP contained fully protected in the new in bottles at Beecham Pharmaceuticals, Worthing, Sussex, From the price range between are now being packed by a just under £100.00 for a mini. Bowater CFG/WR wrapround may systems and just under machine. This has resulted in a considerably improved packaging operation and a reduction in labour requirements says Bowafer Packaging Portland House Stag Place London SW1 (01-834-9444).

The bottles of symp are guided into four lanes and advanced to the division insertion point.

On arrival, the collation of bottles automatically opens a cesses can be taking place sliding door in the guarding and stops the machine. A ready assembled set of divisions is manually inserted, and the sliding door closed which restarts the machine.

The bottles with the divisions are then fed on to a die-cut

corrugated fibreboard blank which is formed and glued into a case around the collation.

Packing line for these products was previously controlled entirely by manual labour when cases and divisions by hand after which they were filled by a packer and finally hand sealed ready for despatch.

• IN THE OFFICE Shreds the paper

GERMAN HIGH speed indus. public being wasted. trial document shredder from Eba Machinefabrik KG, the tronics with lamp displays, the new unit, called Alert UK1, has Agent 004, has had limited sales in the UK because of its availability only in three phase power supply motor.

Version of the model now

offered to the UK market is the Agent 004S, which is a single phase machine, offered here by Tarnator, 1 High Street, Thatcham, Berks (0635 62511).

Maker says that its introduc-tion brings to the geenral office a document shredder which has the speed and build usually found in industrial machines. It will handle full width com-

puter paper, heavy files and geenral papers and has a capa-city of 33-40 sheets in one pass shredding to a fixed high security level of 4mm.

There are three adjustable shelves for simultaneous feed or storage of materials, a special noniamming device and a control which will arrest the shred- life. ding process when the dispos-

High-performance load cells

compression load cells with tally electron beam weld sealed construction cover the range 0-50 and O-100kN. .

Based on bonded resistance strain gauge technology and operating as circular cross section compression columns manufactured from very high per-formance stainless steel, the gauges give a total system accuracy better than plus or minus 0.5 per cent, excluding temperature effects. Repeatability is better than, plus or minus 0.05 per cent. All operational elements

associated with the bridge netweld sealed within the load cell case to provide complete isolation from the ingress of corro-

test unit for alcohol detection,

originally designed in the U.S. by Borg Warner and now at the

stage where it has been

approved for use in the UK by

The traffic police officer will

not have to make judgements,

often under difficult conditions,

involving the colours/positions

of chemicals in tubes: all too

often these have given rise to

a "false positive" result where

a subsequent blood test has

proved negative; or vice versa,

the time of both police and

Essentially a box of elec-

a rubber grometed hole in the

top in which a fresh tube is

pushed for each test. The suspect driver breathes down the

tube and the lamps show the

result clearly: green for 0 to 40

milligrams/millilitre, amber for

41 to 80, and red for levels

above 80 mg/ml. Amber would

allow the officer to warn the

driver, red to arrest him under

section 6 of the road traffic

section 6 of the Road Traffic

ALERT has been tested by

the Home Office laboratories at

Aldermaston and by the police

the Nottinghamshire Constabu-

lary is to start monitored operational trial in June to test.

among other things, aspects

such as robustness in the field,

maintenance levels and battery

The device employs a semi-

conductor element operating at based on these polymers.

the Home Office.

Breath test device

LAST YEAR Dragerwerk of 350 deg C the conductance of

Lubeck bought the UK and which increases in relation to European rights to make and the concentration of alcohol in

sell a more satisfactory breath the breath sample presented to

operation in the most arduous of environments.

Rugged design and construc-tion of the devices reduces the possibility of damage or malfunction caused by excessive mechanical vibration or shock.

A further refinement is the evacuation and back-filling with helium of the basic transducing element container, prior to welding. This provides a dry, inert, gaseous operational environment having a high thermal conductivity which considerably reduces the effects of quasi-static temperature gradients. Additionally, a thermal shield is available for exposed site installations to sive liquids and damaging gases. reduce errors incurred due to This ensures very good long environmental changes includ-

term stability as well as ing wind direction shifting and freedom from field adjustment variations in the intensity, and and routine maintenance and angle of incident smlight.

it. Power is derived from three

nickel cadmium batteries housed in the back of the instru-

ment, which measures only 170

x 110 x 65 mm and weighs only

765 gms. Stated accuracy of the

instrument is 10 per cent. It

costs about £300 and is to be made in the UK by Draeger

Northumbria, part of Drager-

A similar device, Alcolmeter

SL2 which was approved by the

Home Secretary last year is on operational trials in Leeds and

GEOFFREY CHARLISH

Manufacturing of

RESEARCH

Painting

(Ashtead 76391).

underwater

WITH THE aim of developing

paints able to be applied under

wet conditions (for coating

applications, such as anti-

corrosion primers, underwater

coatings and marine paints) a

major research project has

been started by Yarsley Research Laboratories, The Street, Ashtead, Surrey

Planned as a two-year feasi-

bility study, the work will involve a thorough search of

the patent and other literature,

preparation of coating-type

polymers with specific chelating

groups, and the formulation and evaluation of coatings

facilitates continuous, reliable Other options include the ranges of shielded, armoured and pressure tight instrumenta-tion cables as well as junction boxes which can be supplied with the cells.

Compensation for both thermally induced steady state zero and sensitive errors is guaranteed and a unique thermal bonding method is used: for all bridge elements. Operational temperature range of the devices is from -40 to +90

degrees C. Measurand is a British company manufacturing a range of advanced bonded strain gauge technology, electron beam weld realed load cells and associated encapsulate electronic signal conditioning and measuring instrumentation. It operates from Assurance House 35, Hazelwood Road, Northampton NN1 1LG. 0604 **22521.** (27-24) The CVT Wishington

COMMUNICATION Phone line controls receiver

A PROFESSIONAL radio receiver for civil and military use covering the 15 kHz to 30 MHz frequency range has been introduced by Redifon Tele-communications and is able to accept control instructions from a remote point over an ordinary 600 band telephone line.

The company claims that the unit has an advantage over competitive equipments which have to rely on dedicated high speed data quality circuits.

Making use of a microprocessor, the new receiver, called R1007, can be remotely programmed with the frequencies and other operating parameters for up to 96 working channels: The receiver will scan groups of channels as selected by the remote operator in any order Alternatively, the receiver can

instructions can be varied by the central operator at will simply by calling up the appro-priate receiver and passing new instructions via the receiver control unit RC 1000.

two defined fre-

This receiver can even be made to test itself from the remote location any problem immediately showing up on the master control unit. Redifon Telecommunications,

Broomhill Road, Wandsworth, Cole Equipment is at Church London, SW18 4JQ (01-874 Road, Croydon, CR0 ISG (61-7281). 688 7581).

in touch with ieletracer pocket. Cass Electronics Limited
Phone Egham 36266 for information

- PROCESSING

Units will coat and

TWO ADVANCED production equipments of interest to the electronics and electrical industries are announced, a vacuum coating unit from Varian and an automatic vacuum encapsulation plant from Cole EquipMary Control

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You :

There are five of the Varian machines, mainly designed for thigh production applications.
All designated 3119, the units can be supplied for microelectronics devices, resistors, solar cells, quartz crystals and for general purposes in research and development.

The entire vacuum and coating cycle is microprocessor controlled and the pumping systems can provide a working pressure in less than ten minutes. A keyboard unit allows programs to be entered which can be altered at any time to suit manufacturing needs. Varian Associates is at 24 Manor Boad, Walton on

Thames, Surrey (09322 43741). The encapsulation plant from Cole is made in Germany and allows up to 10,000 wound components such as line transformers to be encapsulated daily.

The machine has a continuous potting compound mixer fed from two separately heated pre-mixers sized from 12 to 250 litres and at dwell times pre-deter-demand. The continuous mixer mined from 0.1 to 9.9 secs. is situated centrally over the is situated centrally over the vacuum chamber and is separbe made to sweep continuously ately heated so that it can be set for optimum fill viscosity. quencies in pre-set frequency. A safety device prevents solidi-increments, fightion within the continuous mixer during breaks in produc-

This Hubers Epsilon 221 plant has a moving tray which takes the components to the filling station; the vacuum chamber can be supplied to suit the requirements of the items to be encapsulated. A chamber containing 108 components can be processed in nine minutes including loading and unload-



The Frizzell Group

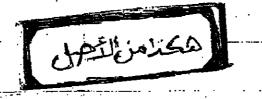
20% profit growth in 1979

reports Norman Frizzell, Chairman of The Frizzell Group in his statement accompanying the Report and Accounts for the year to 31 December 1979

- Income increased by 45% to £16.5 million.
- Increase in pre-tax profit of 20.5% to £2.67 million showing benefit of increasing spread of activities.
- The Motor and General company in Poole continues to be a major contributor to our group profit as a result of the constant improvement of efficient methods of management and systems.
- Shawlands Securities Ltd., our financial services company, produced record profits.
- Underwriting 1976 account for the Lloyd's Underwriting Agency was another excellent year, although some decline expected in line with worldwide trend.
- A staff profit sharing scheme has been introduced and the first payments made -based on estimated 1979
- I am confident that the group will continue to expand and flourish.

Copies of the report and accounts are available from The Secretary





This announcement appears as a matter of record only.



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Marriage Franco-Italian style

Paul Betts examines the Latin side of the new Saint Gobain-Olivetti partnership

tions sector. MARRIAGES between large Italian and French industrial have never been simple affairs. In the late 1960s, when Fiat, the giant Italian motor corporation, sought to buy control of Citroen, the then president of the French logical investments which are car group was summoned by

before blocking the deal. Now Saint Gobain-Pont-a-Mousson, the French conglemerate famous for its pipe and glass manufacturing activities, is entering into partnership with Olivetti, Italy's leading electronics and office equip-ment group, by taking a stake of up to 20 per cent in the Italian company and joining its

On the surface at least it in many respects it could prove to be an ideal marriage of convenience; the Italian group, which has recently made a major effort to strengthen its technological base, is still direly short of capital, and the French conglomerate is seeking to diversify into new growth industries, particularly in the electronics and communications

Over the last few days, Oli-Visentini, Olivetti's chairman since 1964, says his group had been looking for an inter-national partner for some time to enable Olivetti to keep man of the small Italian Repub-

WHAT DO a swamill in Wales,

packaging business in Rochdale,

and a safety coatings company

in Ringwood, Hampshire, have

in common?

and other companies.

about 370 people-

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gear-cutting company in

abreast of competition from the big U.S. and Japanese multinationals in the communica-

Such a pariner could have been a bank or financial institution which could have injected the fresh capital Olivetti needs to reduce its current debts of Lire 859bn and to make the further manpower and technonecessary to remain competitive General de Gaulle, who greeted in the international electronics first time." him with an icy "Come sta," or and communications market. It "How are you?" in Italian— could also have been a U.S. or could also have been a U.S. or Japanese group operating in the same industrial sectors as Olivetti. "We had several offers from such groups," Visentini says, "but it would have meant selling off Olivetti to one of its competitors."

Ideal

The third alternative was a partnership with a major enterprise which was seeking to sems an odd combination. But estabish itself in the electronics sector, was prepared to make the necessary substantial financial investments and whose programmes were compatible, or at least not in direct competition with, those of Olivetti. "We felt Saint Gobain was the ideal partner. Its new electronics interests in the microchip and large computer markets are not in conflict with our major interests in the field of office automation. Moreover, it was prepared to vetti has made no secret of its make a sizeable financial in-satisfaction over the deal. Bruno vestment in Olivetti by paying vestment in Olivetti by paying well over the nominal share price of our forthcoming capital increase," Visentini says.

Visentini, who is also chair-

The financial and industrial alliance between the two companies will see Saint Gobain buying a 10 per cent stake in Olivetti by subscribing to just over a fifth of the Itaian company's imminent capital increase. This will lift Olivetti's existing share capital from Lire 107.7bn to Lire 208.7bn. The capital increase involves an issue of 101m new ordinary shares of Lire 1,000 each. But Saint Gobain, which will take up 21m new shares, has agreed to pay Lire 3,200 for each share, or Lire 2,200 more than the nominal value, bringing Olivetti some Lire 67.2bn of

Moreover, Saint Gobain buy additional Olivetti shares on the market to bring its stake eventually to about 20 per cent ,making the French group the largest single shareholder in the Italian company. But control of Olivetti, Visentini claim, would remain explained.

fresh funds.

At Olivetti's shareholders' meeting at the end of next month. a new controlling shareholders' syndicate, which effectively controls the Italian group, will be constituted. The

lican Party, a member of the new syndicate will be evenly European Parliament and a divided between Saint Gobain, former Italian Treasury and CIR—the holding company of Budget Minister, says the Carlo de Benedetti, Olivetti's marriage followed more than a managing director and deputy year of talks between Saint chairman - and a group of Gobain and Olivetti. "It is dif-major Italian corporate share-ficult to say who made the first holders including Pirelli, La move. It is a bit like Dante's Centrale, the two medium-term courtship of Beatrice—you credit institutes Mediobanca never quite know whether it is and IMI, and the Olivetti the man or the woman who family, which in recent years takes the other to bed for the has been gradually yielding its control of the company. Saint Gobain has also agreed to reconfirm Visentini as Olivetti's chairman and de Benedetti es

> run oul in 1982. Apart from the substantial injection of fresh capital, the venture will also help Olivetti develop its key office automation sector and strengthen its activities in the inter-related telecommunications where we have always been weak," according to Visentini. The French partnership is also expected to boost Olivetti's presence in the promising

deputy chairman and managing

director when their mandates

French electronics market. 'Unlike the Italian Government which has never given our industry any effective support, the French have, for example, an ambitious programme for the rationalisation and automation of their public administration in which we ould now play a major role,"

Against this impressive ilst of advantages for Olivetti, it is unlikely that Saint Gobain will agree to be merely a passive financial partner in the venture. Under its new chairman, Roger Fauroux, Saint Gobain has



Carlo de Benedetti (left) and Bruno Visentini, who likens the St. Gobain-Olivetti courtship to Dante's wooing of Beatrice: " you never quite know whether it is the man or the women who takes the other to bed for the first time."

experienced a minor revolution shareholding in Olivetti. The by moving into the electronics two companies' intention of sector through its purchase of a 20 per cent shareholding in. the CII-Honeywell Bull French computer group and its 51 per cent controlling stake—with National Semiconductor of the U.S.—in an integrated circuit plant situated in Southern France.

It now appears to want to consolidate its presence in the electronics and communications industry through its minority

pany, people to talk to and a

greater degree of confidence.

He would, though, have liked

to see a little more practicality

people, but this might have to

His business employs eight

reduced by one or two if

business based in Ashton-under-it."

about the course.

collaborating in the develop-ment of new activities in the electronics field will inevitably involve tricky compromises at both top and intermediate management levels. So far. Visentini says both

companies have agreed to set up a joint consulting committee to discuss future industrail co-operation. Moreover, Saint Gobain will have between five and six representatives on the

is hoping to find another company to buy nearer home with a line of business complementary to that of Junction.
On the whole, the NEP courses seem to be well received. Any criticisms generally relate to their level of practicality, while the two greatest areas for praise are the

Lyne and his home 40 miles away near Ormskirk, Barradell

together a business plan in a opportunity provided to put they generate. But in the end it is all down to the individual. As Nick Matvieiff puts it: "You get out of the course what you want to, and what you put into trading conditions do not improve. Meanwhile, with the

Olivetti 21-man board, while de Benedetti will sit on Saint Gobain's board.

Visentini also claims that the 1978 and barely 35 per cent in marriage should not raise any 1976. During the last few major complications as regards months, the Italian company the management structure of the new partnership. "We,

new partnership. "We, Olivetti, will continue controlling our activities and colhave the experience and necessary manpower in the elec-tronics sector while Saint Gobain is just entering it. I therefore do not see where any problem would arise," Visentini remarks. He also argues that Saint Gobain is perfectly familiar with Italian industry and its problems as it currently employs 6,000 people in plants in Italy where it has been present for more than a century. In any event, it is difficult to

envisage Olivetti's dynamic managing director, Carlo de Benedetti, losing control of the Italian group. Although de Benedetti, who currently holds the largest single stake in Olivetti, will probably eventualy become the second largest shareholder after Saint Gobain, he has already made it quite clear he plans to mainoverall management control.

de Benedetti joined Olivetti two years ago when he invested some L15bn directly into the company taking over the rights of the Olivetti family in a capital increase. He has subscribing to a recent convertible bond issue and now plans to pump in more funds by subscribing to a new capital in- Italian car group crease. "I will have invested There has always ben rivalry during the past two years some L44bn in Olivetti. I do not has done the same," he said.

agement. doubtedly made an impressive prises expand." recovery during the last two In close collaboration with Visentini, de Benedetti has brought the company back into profit in 1979, seen a 19.1 per cent increase in group sales more or less pressure-free revenue to L1852.7bn, improved environment, and the confidence productivity by reducing, among other things, Olivetti's overall group workforce by 10,000 to 56,000 in barely two years. Olivetti, which reported operating profits of L23.Sbn in 1979, will also pay a dividend this

In the last few years Olivetti has sought to concentrate more on the data processing systems and office automation sectors

year for the first time since

its traditional office machinery

Olivetti's data processing activities accounted for 53.4 per cent of the group's overall turnover at the end of last year, compared with 49.9 per cent in has also signed a series of agreements, including a joint venture with the U.S. Memorex group and a double distribution laborate with the French deal involving Hitachi of Japan partner. In any case, we already and the U.S. IPL concern. All this marks Olivetti's return to the medium and large-scale computer market after an absence of about 15 years.

But de Benedetti, who was the year " in 1978, explains that Olivetti needed a financial and industrial partner to launch the company on the international market in style. "But we did not want to sign an agreement while Olivetti was still relatively weak. We preferred to wait until our recovery was taking a sufficiently concrete shape and we could command the best terms," he said.

Blue blood

de Benedetti-who for three months was managing director of the giant Fiat car group and disagreed on all known counts of policy with the Agnelli brothers adds, that Olivetti did not want "an Arab partner" money withou any major future industrial collaboration. "In our case, there are no Arabs, but the blue blood of European insequently invested a further dustry," he says—in a clear L15bn in the company by sub-reference to the earlier deal between Fiat and the Libyan Arab Foreign Bank, which in 1976, invested nearly U.S. \$500m in the

between de Benedetti and the Agnellis. When announcing the think there is another single deal with Saint Gobain, de private entrepreeur in Italy who Benedetti said: "I do not have a monarchical approach to Under de Benedetti's man- business. Family capitalism is gement. Olivetti has un- now a thing of the past as enterbusiness. Family capitalism is

Later, referring to the sizeable shareholding of Sain Gobain in Olivetti, he remarked: "I would rather own one per cent of a profitable company than 100 per cent of an unprofitable one." In Italy, at least, this is pretty revolutionary stuff in a country where the public sector is con-stantly making inroads into private industry.

On Friday, Terry Dodsworth will report on Saint Gobain's reasons for the deal.

Now they are out on their own...

Nicholas Leslie on the fortunes of recent graduates of a course for entrepreneurs

The answer is the Manchester Business School. For it was at MBS that a group of people have succeeded in establishing came together between November 1977 and March 1978 on a business are generally most complimentary about course which helped them to course, though depending on draw up their business stratetheir prior business experience gies, learn some of the pitfalls and professional qualifications of business independence and some feel that parts of the prohow to find a way round them,

subsequently launch these as they might be. Geoff Foulkes is very clear about one thing—"I would not The course was the New Enterprise Programme, first set up by the Manpower Services have started on my own with-commission in May 1977, and out it, even though I already up by the Manpower Services which is now run on a regular had an outline plan." Foulkes's business is the Pennine Packagbasis not only at Manchester. ing Company, a contract pack-aging concern based in Roch-dale, Lancs. He felt his 16 but also at business schools in Durham, London and, most people have completed the 16-week course, and 94 businesses weeks at MBS converted him from being an employee-type of person to someone who have been set up employing thought like an entrepreneur. As such, you have got to believe Manchester was the first busi-

ness school to run the programme. It has, recenty com-Foulkes had a difficult start. A major customer he thought pleted a survey of the second he had lined up to help him get off the ground—and who was course, which began in the autumn of 1977. This shows that the nine businesses which vital to his raising financepulled out. He found he was then in a Catch 22 situation of resulted are expected to achieve a combined first-year having a lot of contacts in busiturnover of nearly £400,000 ness saying "yes, get yourself set up and get in touch" while his potential financial backers and landlord were esking Their initial capital totalled almost £260,000, and they now employ just over 100 people. Second year projected turnover

where's your order book?" -albeit somewhat unreliable given how new the companies His solution was to start on a small scale, with an overdraft. His business is growing now and re—is for a more than doubled

Not surprisingly, those who he reckons his turnover is runhe reckons his turnover is run-ning at an annual rate of over minority in that she is one of £100,000, but he admits he is only 11 women who have pany, people to talk to and a the undercapitalised and cash flow attended the NEP course. Her is difficult. He employs 14 purpose was to develop a more people full-time and around 20 professional approach to busi-

gramme are not quite as strong academic period cocooned from the outside world where you can concentrate on an objective. It provides you with a luxury, for which I am extremely thankful, that you normally never afford." could

partner-Alun Gape-who was also on the course. While Matvieiff was an accountant looking specifically for a chance to get into the timber business. Gape already had experience in fast-cutting techniques with laminated boards and similar

The company they set up— Welshpool Timber, at Welsh-pool, Powys—is housed in a Mid-Wales Development Board factory (two years rent-free) and the board has also injected a sizeable amount of money into the project. On a monthby-month basis the company is now breaking even on a turnover of about £25.000 a month.

On the whole, Matvieiff was complementary about the content of Manchester's NEP course. And he found that attendance at MBS was helpful when negotiating with prospec-tive suppliers and customers. He also found the advice and criticism of others on the course

very helpful. In the nine months since Welshpool started trading it has built up sufficient business to employ nine people. Matvielff and Gape's objective is to be employing 30 people within

professional approach to business in order to exploit a pro-Nick Matvieiff is very cess she had developed with her enthusiastic about the NEP— husband, Ken—a full-time tech—
"it is fantastic," he says. It nical manager—to provide a provides a "lovely, four-month plastic protective coating for plastic protective coating for glass bottles.

> She feels the course boosted her confidence—sufficiently so to prompt her and her husband to apply for a second mortgage finance their business. Through the advice she received on the course able to present professionally which impressed our bank manager and tipped the balance in our favour," she says.

Today, with two family friends who have become partners in her business, Safety Coatings, Valerie Craine is coating 1,000 container a day, based in a factory in Bournemouth. The business employs six parttime staff.

When Michael Barradell went on the course in November, 1977, he was looking particu-larly for a partner, or to buy a company. He, unlike the majority who attend courses, had sufficient capital to purchase a small concern.

Barradell is an engineer. He did not find a partner, but he did, through a contact made to buy. Called Junction Engin-eering, it is a gear-cutting business with a large number of its customers in the textiles industry. Because of the downturn in textiles Barradell's business, after a good initial 18 months, has been slower in the

past six months.

Barradell found the down-to earth sessions at MBS very good



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different situations around the world Nixdorf is a massive £310 million company making, marketing and servicing mini-computers. They are represented in 30 countries, employ 11,000 of the brightest people and have a reputation for making some

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national package available. Add to all that Nixdorf's worldwide servicing network and blue-chip client list and you'll see that anyone looking for an attentive, obedient computer system, doesn't have to look far.

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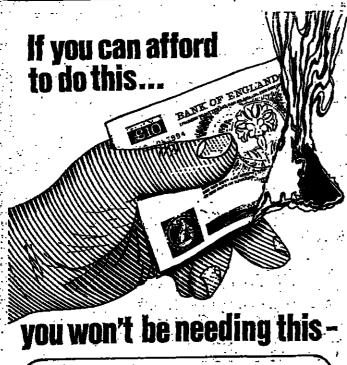
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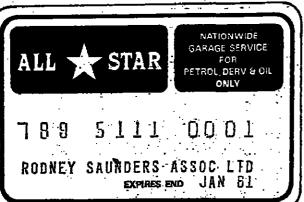
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Ideas on OPEC proof bonds

BY ANTHONY HARRIS

THE CASE for inflation-proofed finance the PSBR at all, but bonds, so energetically proposed by my colleague Samuel open-minded hearing among veteran of the campaign. I am not so sure that this is an Idea Whose Time Has Comeit is in some respects an idea whose time has very nearly passed. All the same, it is an dea drifting into the sphere of practical politics, and is of more than a little interest to the

Experiment

It is the old emotional objections which seem to have faded. In Threadneedle Strect, there is no longer talk of banana republic tactics; it has finally ot through to Bank directors that paying a coupon of 14 per cent or so for 20 years could prove quite expensive in real monetary restraint works. Ministers have evidently concluded that Mr. Alfred Sherman's horror stories of what happened in Israel as a result of indexing may not be a reliable pointer for a more modest experiment here.

The attractions remain what they have always been. An indexed bond, paying a modest real return, as against a fixed interest stock paying a high but depreciating money return, would reduce the PSBR, A shortage of fixed-interest stocks might also depress the rate on traditional gilt-edged. And Treasury officials, ever-vigilant against the rapacity of the thrifty, still have a secret hope that an indexed bond will sell, on its port-in-a-storm appeal, above par, thus ensuring negative interest rates for ever.

These are seductive attractions, but there is one snag. OPEC counties have always demanding an indexed for heir oil. Would hey find he world's only indexed bond an irresistibly attractive for their surpluses? If this happened, we might, it is argued, be out of the frying-pan and into the fire. Instead of pauless finance for the PSBR. we would have a new problem of inflows. The authorities example, a 20-year prepayment would either have to let the example, at current prices would reprechange rate rise indefinitely, or would be driven to intervene able annuity—reasonable terms in the exchange markets. If on both sides, but for local

black and white

6.40-7.55 am Open University

BBC 1

simply a rise in the reserves: For reasons which are no Britten, is getting a much more altogether clear, the fact that exactly the same problems officials than it used to. As a arise with issues of highcoupon gilts receives little attention. Every new tap-stock brings its rumours of clients with sand on their boots; a pominee account is as impene trable os a pashmak. Suspicious people might even wonder if this selective worrying is altogether an accident or whether the anti-indexation

foster unworthy suspicions, so

I would like to propose a class of investments which, without

being indexed, would have the

odd virtue of being both

inflation-proof and OPEC-proof

—and even, in some cases, Government-policy-proof. They

ideas. One was recently given

official respectability—the for-

ward sale of output or services.
as with BNOC. The other, a

form of tax-farming, dates back

the wild. They do not need much care. but April has been the month in which I have found myself squad has simply moved to new spanning both ends of their requirements However, this column aims to be helpful, rather than to

but small-scale.

For this is the time to do your best for the ones which have flowered and plant and place

varieties from the big familities

and in Britain we have a host of

remarkable rang eof bulbs from

the best ones for the summer. The routine for those which have flowered is quite straightforward. Deadhead the larger ones, the tulips or daffodils so that they do not waste their energies in setting the seed. If possible, water a liquid fertiliser like Phostrogen into their leaves so that they build up strength for next year. On no account remove these leaves before they have turned yellow and begun

the care of bulbs. I can never down now and level off the stress too often that bulbs are grass neatly. In fact, you should the impatient or first-time gardener's hest buy and the ideal them off. They tend to dwindle what the best variety theme for a garden planned for variety on a light soil which buried deeply. They like to retirement where the work should be gentle, challenging Good catalogues still'list and you are destroying your best soil, the more they try. sell an astonishing range of

strength for next year. . Feed. deadhead and be dry weather from July onwards small businesses which offer a patient: these are not demand- as they run up to flower. This

larly tempting to mow them think that enough owners of small gardens, especially town gardens, know how to plan and be building them up not cutting use the best varieties or indeed anyway unless they are a species Nerines' bulbs should not be

Mice, bulbs and peacock flowers

suits them and is free of mice stand with the tip of their neck and squirrels. But if you cut just above soil level. The hotter off their leaves before late May, the site and the sandier their assets by stopping them gaining In addition to a light soll and

sun, they like plenty of water in

GARDENS TODAY

BY ROBIN LANE FOX

ing tasks. If you have daffodils last point is sometimes missed in a flowerbed, you must stick as everybody writes about their to this advice against all your sense of order and tidiness and other people's comments. Their leaves will not have died down until mid-June. You can tie them up into knots but you must not remove them too soon. Instead you might like to plant summer-flowering bulbs among them, a job which has been occupying me over this past week or so.

The nerine, or Guernsey lily. is well known nowadays through

preference for a thorough baking or a roasting in a sunny bed. But a free supply of water makes a serious difference to all the nerines I know, raising their flowers by as many as a third. You can still plant them in late April but you cannot expect them to settle properly until their second year.

I think they are completely hardy in one of those narrow beds below a south-facing wall on a London house, the perfect of the market: what can be opt for a mixed bag of these

I HAVE spent my recent gar. If you have crocuses in the florists use of it as a splendid site for them. It is worth going grown to liven up a seaside dening days almost entirely on grass of your lawn, it is particu- autumn cut-flower. I still do not to a good source, such as Broad- house here or abroad in the leigh Gardens, Barr House, holiday months or what can be Bishops Hull, Taunton, Somer grown round the edge of a set in order to be sure of by British swimming pool with far the best garden form, Fenwick's Variety.

If I had a garden on shel- water tered sandy soil, I would con- days? sider growing this nerine as a commercial crop. Its bulbs multiply freely after three years and can be sold to any sensible gardener. At the same time, the old stock would be covered in cut-flowers for the local florist.

I have many requests for ideas for otiose patches of who can no longer afford any help with them. On light soil, a small nerine business seems to me to be an entreprenential mice, so be warned of the possibility, at least to the cost dauger. of a part-time gardener's wages. Except for weeding, the cultivation is of the simplest

Why do not more of you cock flower, or Tigridia? True, each flower only lasts a day but each flower only lasts a day but to be unable to stand in a case, a bulb produces many of them. If they are shrewd, they choose during high summer and they the new primulinus sorts, whose are so extraordinary exotic that corms can be set in sandy or in July and August you can light soil from now on. It is hardly believe that these tropical worth spacing them at wakly flowers are growing in your garden. Again, I think they are a useful answer to a frequent season. reader's request at the top end ... More often still, gardeners

enough of a tropical look to match the bright blue of the water on summer's two sunny

Top prices for tigridia are around £1.50 for 10, but 20 make a dazzling impact at a height of a foot or so. Their three-petalled flowers are like some gorgeous butterfly, butter yellow or rose pink around blotched purple and white centres, as spectacular as any orchid. You must lift their kitchen garden from readers bulbs like dahkas each autumn and store them in a dry place away from all rodents. I have

My last choice is the best variety, in my view, of a familiar family. Everyone knows the gladiolus and some people bother with the so-called pea- wish that its long spokes of flower were not so top worth specing them at welly intervals until June in order to be sure of a long flowering



The perioe: for an otiose patch

varieties and are disappointed with their colours and their less reliable performance. I have found there is one winner in the group, called margrethe. Its ivory-white flowers are marked by strong red-crimson blotchse on their lower petals. a very bold combination. If you lift it and store it in winter, it flowers more freely from year to year than others in this less

prolific branch of the family. You can buy it from de Jager. Marden, Kent, at £1 for 10 and I would commend it to you especially as a spectacular flower to give white to a summer border or quality to an autumn vase of flowers in the

THEATRES

Wigetowith CC 91-437-5312 Twice pupility 31 5.00 and 10.00 Sept. 6.00 and 10.00 Sept. 6.00 and 10.00 Sept. 6.00 Sept. 6.0

Tax exemption

goods and services offered on forward contracts should essentially be for local consumption only; a wide range readily suggests Examples which come readily

A 50-year season ticket from Brighton to Victoria; A million unit of free telephone time per anum for v

A free supply of electric power: First-class postage stamps of

permanent validity; With these you could finance new locomotives, the new telecommunications

nuclear stations and the like. The other class might be CTEs - Certificates of Tax Exemption. Exemption from local rates might be especially popular. As for the cost, the only essential is that they should be long-dated. sent a 5 per cent real terminthey did, the bonds would not consumption only. Any takers? Ascot in September.

Outsider Oldstock at Ascot Sovereign Path colt from the

A YEAR ago 25-1 chance The Adrianstan saw the vast majority of Ascot punters discarding their betting-slips after the Victoria Cup. It could well be that another outsider, Old- autumn of making above-average stock, will see bookmakers improvement from three years happy again this time.

Although Oldstock lines up for this afternoon's Autobar Victoria Cup without benefit of a previous run, backers will do

> RACING BY DOMINIC WIGAN

well to examine his credentials. The winner of Haydock's Sport-ing Chronicle Handicap last summer, in which he held on well to beat Bold Shot by half a length, Oldstock went on to run well under stiffer weight in handicaps at Doncaster and

Mossborough mare Rosemarin, Oldstock looked capable last to four. If, as reports suggest, Oldstock has been shaping well with other inmates of Guy Harwood's Pulhorough stable, he could well repay each-way support here at odds of about

Before the Victoria Cup. five compete for the Sagaro Stakes, the same number as a vear 290. Buttress, one of the most consistent-three-year-olds seen out last season and a colt who finished either first or second on his final six appearances, eems sure to carry the Queen's colours with distinction.

The three-length winner of the Queen's Vase at Royal Ascot, Buttress went on to highly-creditable

4.15 Michael

Square One. 4.15 M Bentine's Potty Time.

6.00 Thames News. 6.25 Help!

7.00 This Is Your Life.

7.30 Coronation Street.

California.

10.40 Quincy.

8.00 Arrival 1. 9.00 Party Political broadcast

9.10 Whicker's World -

12.10 am Thames Arts: Richard

look at Opera in London. 12.25 Close: Personal Choice

with Bernard Repton.

All IBA Regions as London

ANGLIA
1.25 pm Anglia News. 2.45 House-party. 3.15 Doctor Down Under. 5.15
Barney Miller. 6.00 About Anglia 10.40
Fantasy Island. 12.10 am Police
Surgeon. 12.40 The Big Question.

ATV
1.20 pm ATV Newsdesk, 5.15 Selwyn
6.00 ATV Today, including Police Five.
10.40 ATV Newsdesk 10.45 The Midweek Film " Josan John." 12.10 am John Hotele.

BORDER

1 20 pm Sorder News 2.45 House-party 3.15 How's Your Father' 5.15 Happy Days 6.00 Locraround Weanes-day 10.40 Fartes, start, 12.10 am Police Surgeon, 12.40 Border News Summary

CHANNEL

CHA,NINEL

1.20 pm Stanner Luminisme News.
What's On Where and Weather. 5.12'
Poffin's Birthoay Greenbys, 5.15 Makin'
It. 6.00 Report at Siz 8.00 A Chance
to Meet. Magnus Pyke 10.38
Channel Late News 10.42 TV Movie
Premiere Influence Goot 12.25 am
News and Weather in French, followed
by Epilopue

GRAMPIAN

by the Conservative Party.

Cork and Lord Harewood

6.35 Crossroads.

Lightnine.

Noah's Castle. 5.15 Struck by

good-looking second to Sea Pigeon, on three pounds worse than weight-for age terms, in Ayr's Tennent Trophy. Sure to be well suited by this afternoon's two miles on ground that will afford excuses, Buttress can foil the bid of another ultra-consistent the Jeremy trained Vincent,

> Supporters of Saison in the 1,000 Guineas may have their Newmarket hopes raised by Just Abroad in the opener.

ASCOT

2.00-Just Abroada** 2,30—Buttress** 3.05—ONstock* 3.40-Prince Bee 4.10-Another Realm

4.40—Crowning Moment THIRSK 2.15-Master Templar

2.45-Road to Mandalay 3.45-Leader of the Pack 4.15-Westacombe

1.20 pm Report West Headlines 2.45 The Love Bost 5.15 Dick Tracy 5.20 Crossroads 6.00 Report West 6.30 Youth Makes Music 10.40 Police Story.

HTV General Service except: 10.33-10.48 am abc: Rhaglen 2. 11.55-

Newyddion Y Dydd. 1.25-1.30 Report Wales Headlines. 4.45-5.15 Ni A Nhw. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Jukes of Piccadilly.

Cymru/Walas—As HTV West/ General Service except: 10.33-

GRANADA .11.50 am Certoon. 1.20 pm Granada Reports. 2.00 Live from Two. 2.50 amily 5.15 How's Your Father? 6:00 framada Reports. 6:30 This is Your light. 10.40 Hawaii Five-0. 12.10 am HTV

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SOUTHERN

1.20 pm Southern News 2.45 House-party 3 15 Entartainers (Vince Hill). 5.15 Mr. Magoo Cartoon. 5.20 Cross-roads. 6.00 Day By Day 6.35 Scene Midweek (South-East Bras only) 10.40 Southern News Extre. 10.45 "The Siender Thread," starring Sidney Potiter, TYNE TEES

920 am The Good Word, followed by North-East News 1.20 pm Morth-East News and Lockaround, 2.45 Andy. 3.15 in Search of . . Learning ESP. 5.15 Basiey's Bird. 6.00 North-East News Headlines 6.02 Crosspoads. 6.25 Northern Life. 10.40 North-East News. 10.42 Kaz 11.42 Power Without Glory. 12.42 am Engloyer.

ULSTER 1.20 pm Lunchtime 2.45 Survival Special 4.13 Ulster News Headlines 5.15 Carroon Time 5.20 Crosscoads. 6.00 Goof Evening Ulster 10.39 Ulster Weether 10.40 Fireside Theatre. 12.10

WESTWARD

1.20 pm Westward News, Headlines:
5 12 Gus Honeybun's Birthdays. 5.15
Makin It 6.00 V/cetward Diary 10.42
Westward Late News. 10 46 The Comwall Runby Final: 11.15 TV Moyie
Faith For Life. 12.50 West Country
Weather and Snipping Forecast.

YORKSHIRE
11:55 am Cartoon Time 1.20 pi
Calendar News. 2.45 Tandarra, 5.1
Survival 6.00 Calendar (Emisy Mod

(5). 12.56 Weather; programme news.
1.00 The World at One 1.35 A Party
Political Broadcast by the Labour Party.
1.40 The Archers: 1.55 Shinping Foreteast. 2.00 News. 2.02 Woman's Hour.
3.00 News. 3.02 Listen With Mother.
3.15 Afternoon Trestre (S). 4.00 Chorat
Evensong (S). 4.45 Short Story. 5.00
PM: Neves magazine. 5.50 Shinping
Forecast 5.55 Weather: programme
news 6.00 News. 6.30 My Music (S)
7.00 News. 7.05 The Archers. 7.20
Fat Ma non a Bicycle (S) 7.45 Person
to Person. 8.45 File on 4. 9.30
Kaledascone 9.58 Weather. 10.00
The World Tornisht. 10.30 Winkles (S)
11.00 A Book at Bedtime. 11.15 The
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2 Protection for old sholdiers from unwelcome correspondence? (5-4)

South-East only). 6.20 Nationwide.

Mysteries. 8.30 Lena, starring Lena Zavaroni

9.10 News. 9.35 The Ri at wave energy). 10.10 Sportsnight.

F.T. CROSSWORD PUZZLE No. 4,262

9 Permission to resign (5) 10 Soldiers in assault in wet 11 Swindle firmly established painter (9)
12 Unusual clue about Pole and

18 What 11 may have to control

source of irritation in the game on board (9)
23 High Church tune suitable for small children? (4-5)
24 map (5)
25 map (5)

note (5) 27 Long curl of hair enclosed in

3 Charming and small in a way 4 Obligated by promise but unable to find the right expression (9)

(Ultra high frequency only). 9.35 For Schools, Colleges, 11.25 You and Me. 11.40 For Schools, Colleges, 12.45 pp. News, 1.60 Vews 1.00 1.00 Pebble Mill at One. 1.45 Heads and Tails, 2.01 For Heads and Tails, 2.01 For Schools, Colleges, 3.53 Regional 11.50 Weather/Regional News. News for England (except London, 3.55 Play School, 4.20

All Regions as BBC I except as The Space Sentinels. 4.40 Wild-Cymru/Wales - 5.55-6.20 pm track 5.05 John Craven's News-

Tool a literary drudge observed (4-3) 1 Tool 5 Capricious wanderer (7)

14 Taciturn local I can upset male relative (5) 16 Official record given by

hospital doctor (9) 17 Dark horse in horrifying experience (9) 18 Vessel for baseball player 21 Though sailors follow, it's a 20 Everlasting description of a

circle (7)
22 Instrument or means of com-

5 Banish from former French

6 Soldiers drag their feet and

mix again at random (9)

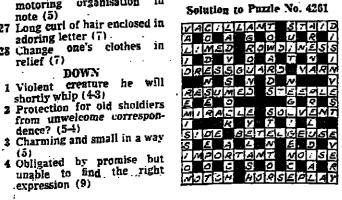
7 Trojan and his departure from historic disturbance

8 Abstract competition shortly

coming to a finish (7)

island (5)

24 Softened note in mud (5)



5.55 Nationwide (London and The Eddie Capra

9.00 Party Political Broadcast and Weather for Scotland. by the Conservative Party.

round. 5.15 Potter's Picture Wales Today. 6.55 Heddiw. 7.15 Thames News. 1.30 Take the Palace.

5.40 News. High Chaparral. 11.50 News and Plus. 2.45 Fantasy Island. 3.45

Weather for Wales. Scotland-12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 9.00-9.10 Party Political broadcast by the Scottish Conservative Party. 11.00 Is Anybody There? 11.36 News

Northern Ireland-3.53-3.55 pm Northern Ireland News. 5.55-6.20 light on Northern Ireland affairs. 11.50 News and Weather for Northern Treland England-5.55-6.20 pm Look East (Norwich): Look North (Leeds, Newcastle); Look North-

West (Manchester): Midlands (Birmingham); Points (Bristol); South Today Todav (Southampton): Spotlight South-West (Plymouth).

BBC 2 6.40-7.55 am Open University. except at the following times:-11.00 Play School ras BBC 1

11.25 Snooker. 1.45 pm Racing from Ascot. 3.55 Spooker. 4.50 Open University.

6.55 Snooker. 7.25 Mid-evening News. 7.35 Chronicle. week Film tee Hookey. Professional Champion 9.00 A Party Political broad-

cast (as BBC 1).

19.10 Midweck Movie: "Anna Karenina," starring Greta Garbo and Frederic March. 11.30 Snooker. BBC 2 Scotland only-9.00-9.10 pm A Party Political broadcast

by the Scottish Conservative Party. LONDON 9.30 am Schools Programmes.

SEA ALVARIANA 20 pm North News. 515 Heapy Days 5.40 Police News. 6.00 Nort: Toetch and Area Weather Forec's: 10.40 Siya 12.10 am Reflections 12.15 Sarney Miller 13.40 Meeth Manations 11.51 Barney Gongle and Snuffy Smith. 12.00 Cloppa Castle. 12.10 pm Rainbow. 12.30 Camera. 1.00 News, plus FT Index. 1.20

Radio Wavelengths 2 893kHz/433an 909kHz/330m

RADIO 1 (S) Stereophonic broadcast

† Medium Wave

5 00 am As Radio 2 7.00 Dave Lee
Travis 9.00 Simon Bates, 11.31 Paul
Burnett, 2.00 pm Andy Peobles, 4.31
Ind Jenson 7.00 Badio 1 Mailbay
8.00 Mile Read, 9 50 Newsbect, 10.00
John Peel (S), 12.00-5 00 am As
Radio 2.

5.00 am News Summary 5.03 Ray Moore (S), 7.32 Terry V/ogan (S) neducing 8 03 Sports Desi- 8 27 Racing Bullstin and 8.45 Pause for Thought 10.03 Jimmy Young 15: 12.03 pm Devid Hamilton 15: 2.03 Ed Srewart's Request Show 15; including Racing from Accot. 4.03 Much More Music (S). 5.00 News 5.05 Waggoners Whit. 5.20 Much More Music (S). 5.55 Party Political Broadcast by the Conservative Party. 5.03 John Donn 15). 3.02 Listen to the Band (S). 3.45 Alan Dell with Dence Band Days. 3.15 Ameng Your Squeetim 15). 9.55 Sports Desk. 10 02 Plinch Line. 10 30 Hubert Greno says Thanks for the Mamory. 11 02 Pater Clayton with Routed Medicipit. Inclining 12.00 News. 2.02-5.00 am You and the Right and nclusing 8 03 Sports Dest. 8 27 Racing IS). 3.02 Listen to the Band (S).
3.45 Alan Dell with Dence Band Days.
5.15 Ameng Your Squeetim /S). 9.55
Soorts Desk. 10 02 Plench Line. 10 30
Hubert Greno says Thanks for the Mamory. 11 02 Peter Clayton with Rouled Midnight, including 12.00 News.
2.02-5.00 am You and the Right and the Music (S).

RADIO. 3

16.55 am Weather. 7.00 News., 7.05
Your Midweek Choice, pert 1 (S). 8.00

RADIO. 4.
6.00 am Rews Bridges 6.30 Fatming 6.45 Prayer for the Day 7.00, 8.00 Today. News. 7.30, 8.30 News. Headfrest No. 15 Vesterday in Portisment. 900 News. 9.05 Midweek with Sylvia 10.00 News. 10.05 General Time. 10.30 Disky Service. 10.45 Story Temp. 11.00 News. 11.05 Baker's Dozen. 12.00 News. 11.05
Baker's Dozen. 12.00 News. 11.05

News 8.05 Your Midweek Chaics, parr 2 /5: 900 News. 905 This Week's Compose: Mozer (5): 10.00 Wider organ recrial (5): 10.40 Britten and Faule song recrial (5): 11.25 Chilgage Symphony Orchestra concert. parr 1 /5: 12.16 pm Interval Reading. 12.15 Concert. part 2 1.00 News 1.05 Concert Holt (5): 2.00 Music Weekly (5): 2.50 Fifty Years of British Music (5): 3.35 Havdin (5): 4.05 Lydia Artymiw pianor recrial (5): 4.95 News. 5.00 Moinly for Pleasure /5) /4 and recrit doly from 8.29: 7.00 Telement. Concertos (5): 7.25 Six Continents. 7.45 Israels Double-hill: "Safts" Safts "9.00 Title Plagues Column by Jaroelav Seifert (reading): 5.45 Jinitely Double-bill. "The Beginning of a Romance" (5): 10.40 Tames Vissary plano recital (5): 11.55-12.00 News.

(S). 11.55-12.00 Years. VHF only-6 00-7.00 am and 5.20-7.20 pm Open University. RADIO 4

BBC Radio London 5 00 em As Radio 2, 5.30 Rush Hour 19.03 The Robbie Vincent Telephon Question Time from the House of Commons. 9.00- 5.00 sm Join Radio 2 London Broadcasting 1.7711001 Droatessing
Soo am AM with Bob Holmess and
Douglas Cameron. 18.00 Shian Hayes
12.00 LBC Reports. 8.00 pm Jazz Alter
Sight—Keith Howell. 9.00 Nijhtline.
12.00 LBC Reports Midnight. 1.00 am
Night Extre. 5.00 Morning Music.
Capital Radio Capital Artillo
6.00 am Graham Dene's BreakfastShow (5) - 9.00 Michitel Aspel (5)
12.00 Dave Cash (5), 1.00 pm Lendon
Today First Report (5), 1.10 Dave
Cash (continued): 3.00 Roger Scott
(5) 7.00 London Today (5), 7.30
Adrian Love's Open Line (9), 9.00
Hicky Horna's "Yout Mother Wouldn't
Like It (5), 11.00 Tony Myatt's Late
Show (5), 200 am Dencan Johnson's
Night Hight (5).

Television

Forward into the Sixties

by CHRIS DUNKLEY

than programmes that look like leftovers from the sixties start turning up all over the schedules. BBC1's new Sunday evening adventure series Bucconeer, for instance, is full of the sort of material that Hammond Innes and Eric Ambler were producing by the barrowload for the bookstalls 20 years ago. You may remember that they were never much concerned with that Chekhovian business about the obligation for guns shown in the first act to be used in the third since their guns were put to use

So too with Buccaneer which 'devised" by Eric Paice and N. J. Crisp, two of the most prolific devisers in the industry. The first episode, written by J. B. Flack, opened with machine guns banging away, grenades exploding left right and centre screen, and Bryan Marshall—whose face is rapidly becoming one of the most overexposed on television-flying an old Britannia out of an embattled African township. battled African township. (Simple "towns" don't exist in sags of this sort).

Later it became clear that the remantic exploits of steelyeyed but world-weary happy-golucky pilots who have seen it all are to be studwiched between

It is as though Gavin Lyall had been called in to re-write The Power Game . . . though come to think of it that might have been a rather better idea. Which is not to say that Bupccaneer is no good, merely that this particular type of English escapist thriller is beginning to look very familiar and somewhat old fashioned, if endearingly so.

Which is also the way that Alan Whicker is beginning to look and sound. Since it seems most unlikely at this stage in their lives that the television reporters of his generation are going to change their ways I suppose we shall just have to resign ourselves to hearing them punch out the headline journalese of the fifties and sixties until the end of their days. If they all go on as long as Ffye Robertson that is a rather fearsome prospect, and at first it seems unlikely that the world could possibly have a large enough stock of the bizarre, the vulgar and the ex- can always get pictures into pensive to supply Whicker with you "-or at least load his links his particular sort of material for that long.

But on second thoughts,

No sooner do you decide that ultimately decent hero with forever changing. Thus at least Whicker often sounds ing television really is beginning to curled lip, mocking sneer, and although every television commove its ideas and techniques snapped briefcase latches: a pany in the world must by now in hearing the answers to his film have done its "We ride in the questions, whatever those ansher pany in the world must by now in hearing the answers to his films such as Shakespeare Walwers may be.

American patrol car" pro-gramme (none so well as America's own Frederick Wiseman in his 1969 Law And Order) it still makes sense for now that the San Francisco screens too with a nine-part Police Department has seen the series on BP called "Inside a light—ultra violet, no doubt— Multinational." His remark at and started recruiting women the start of the first programme and homosexuals in proportion — "I don't think that anyone to their numbers in the population at large.

Moreover, when the SFPD

realises that the logic of this policy which demands that "gays" should deal with "gay offenders" is that the police should recruit exclusively from the criminal classes it will be time for yet another pro-gramme. When that time comes it would be pleasing if Whicker could cut out some of those wondrously contrived passages of connecting commentary which are known in the business as "links"-as when be moved last week from the subject of films to tattooing: "If you can't get into pictures you with a little less of the luscious

Yet despite all whicker's endremembering all his past pro- lessly imitable mannerisms I grammes and thinking over the would still prefer a programme first three parts of his new one, from him to a programe from the wheeling and the dealing of there seems no reason why he many of the new generation of coldly calculating businessmen should *ever* run out: the reporters who make up their who will always greet the moral nouveux riches are always with minds in London and then hunt scruples dredged up by the us and habits and morals are the world for facts to fit them.

Philpott, another of the Whicker generation, who has brought his alliterative title, Whicker to do it again in 1980 The Philpott File, back to our would argue that this is the most important boardroom in Britain" - was presumably the opposite of what he meant, but much of what followed was fascinating, especially the archive footage of BP's early exploration in Iran.

It could be argued that Philpott's formula is timeless rather than dated, though babits such as perching in front of some symbolic inanimate object (BP's boardroom table here) and delivering script straight to camera have gone in and out of style several times since Philpott started. There is a vague memory within his programmes of the old Tonight where he and Whicker worked together, but again that seems preferable to some of today's series, though not all. The first of The Levin Inter-

views on BBC2 suggested another outcrop of sixtles or even fifties style television journalism consisting as it did of an un-embellished studio discussion between Levin and one man, the Russian dissident Vladimir Bukovsky. There is not necessarily anything wrong with the form of course; talking heads against a black background can make truly engrossing television if the heads contain the right things, and on this occasion the interviewee obviously. had some pretty startling claims And for to make about Russia, for example that most Russians understand quite well what an appalling system they live by but are utterly cynical about it. The occasion was particularly cognitive, however, and would have been improved if Levin had used Bukovsky's personal experiences, reactions, and especially his feelings much more as a way into the subject instead of sticking so much to the intellectual approach which -paradoxical though it may sound-forced him to proceed at a rather elementary level.

Tristram Powell's programme about Ruth Jhabvala on the same channel the next night, An Experience of India, did virtually the opposite: explored the of this sad looking lady in terms of her emotional reactions to the countries she has livel in, as a refugee Polish Jew in Britain, as an immigrant in India, and a visitor in America, Powell used very tell-

Thus At least Whicker often sounds ing extracts from the celebra-Jhabvala/Ivory/Merchant lah to tell us far more about her response to India, it seemed The same goes for Trevor to me, than Jhabvala's own reportedly favourite work, Autobiography of a Princess had managed on BBC-2 on the previous night. Compared to Georgie and Bonnie this new work had a surprisingly crude and even unconvincing construc-

> With Michael Whyte's commentary-free study of virtuoso balancing tricks in China: Acrobats, the content of which enthralled even though camerawork sometimes infuriated when its closeups excluded vital context, it has been a weak remarkably rich in foreign material.

> Yet I must admit that in terms of purely personal indul-gence as distinct from professional duties it was, as usual, a clutch of peculiarly British programmes all on BBC-2, which provided the greatest pleasure. In the excellently in formative little series Bird Spot cameraman Owen Newman managed to show in 10 minutes the hatching and rearing of four kestrel chicks in a nest which he filmed, almost incredibly since t was half way up the spire of Salisbury Cathedral, from both inside and outside

BBC2 is also delivering once again from The Crucible in Sheffield addict sized doses of a drug which has the same attractions of length and complexity as Test matches and Wimbledon: Snooker in the World Professional Championship of course. This year Higgins has sometimes waited until the cue ball stopped rolling before lining up his next shot; incipient senility

And for the new series of sheepdog trials in One Man And His Dog the organisers have selected a practically vertical stretch of rocky Lake land hillside of such a shape viewer to be out of the dog's sight at the start of the trial. Short of blindfolding the dogs and gagging the shepherds it is hard to see how they can make it any more difficult. Tomorow night sees the event's first woman entrant.

Could it be part of their attraction that Bird Spot, Snooker and One Man And His Dog did not, and arguably could hot, exist in the sixties? Theatre Royal, Stratford

Riff Raff Rules

by B. A. YOUNG



Francis Barber, Shelagh Stephenson, Robert Morgan and Kate Lock

notions on how to annoy their piece group for Phil Berg's neighbours.

The attractive set, designed direction is really confined to by Sarah Paulley and Dougie getting people on and off, except Mayhew, shoots upwards into for the daring use of a stagewhat looks like an aeroplane's hand to provide a mike when tail fin to conceal a loud five- somebody wants to sing.

Arts news in brief

Scottish National Orchestra, which announced a £250,000 contribution, spread over several years, from Gulk Oil, has gained another major industrial sponsirship. General Accident is investing almost £100,000 in supporting the SNO in a national tour. This will be General Accident's first important arts sponsorship.

what happens if you hang about

the streets. But his characters

are so thin, there is so little

development of character, that

no object lesson emerges. Instead we have the kind of

demonstration of how to outrage

mortality that we had in Scum

and Quadrophenia, and no doubt

the young audience at the preview I attended on Monday

will have picked up some useful

The company is based Perth but does business througout the country. The aim of the SNO tour is to perform in 15

an English gentleman by the major GA centres, some of which have never been visited 18th-century Italian artist by the orchestra before, including Belfast. A feature of oil on canvas and measuring cluding Belfast. A feature of oil on canvas and measuring the sponsorship is that a recording of Mahler's Fourth Sym£55,000 exclusive of buyer's premium by Sir Geoffrey phony will be made for distri-Agnew of Thomas Agnew and bution during the tour and there will be a musical com-petition for children in the behalf at Christie's. The picture was sold by the Trustees of the late Earl Sondes.

Gentleman. Portrait of a probably painted during the The National Gallery has 1760s, can be seen in Room 38 from Wednesday, April 30. bought at auction a portrait of

Bryan Marshall and Pamela Salem in Buccaneer Teatro dell'Opera, Rome

. .

Marilyn by WILLIAM WEAVER

In the old days, a decade or virtually unheard of. more ago, when the Italian economic boom was still on and regularly presented new works occasionally ventured some-thing youthful, and thus we heard early works by Nono and More recently, howstaging of a new, full-length support from older musicians, opera by a young composer is who may have been influential

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So the recent world premiere mount Marilyn. of Lorenzo Ferrero's Marilyn at the Italian operatic boom went the Teatro dell'Opera here was with it opera houses in Italy an unusual and heartening event. Twenty-eight years old, by contemporary composers. Ferrero studied first in his While they stressed the older, native Turin, then in France and Germany. His first theatre safer generation—names like Germany. His first theatre Pizzetti and Malipiero—they also piece was a ballet, performed two years ago at the Maggio musicale, followed by the "near-opera" Rimbaud, heard Berio andothers who, since then, first at Avignon, then at Lille, have not become quite so and then here, under the auspices of the Accademia ever, the theatres have had to Filarmonica, an enterprising Now at most, there Roman concert series. might be the world premiere these; and also some instru-ofa one-act piece at the Piccola mental works, Ferrero attracted Scala or at a festival; but a critical attention and won

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in the Rome Opera's decision to General McArthur's conclusive,

It was a sound decision. While Ferrero's ambitious opera has some flaws (not least the pretentious, ambiguous libretto, by the comopser and Floriana Bossi) (, it also has many virtues and indicates a genuine feeling for the theatre in its author. The Roman house, once the decision was made, obviously did not skimp on carrying it out.

First of all, one must praise

the choice of Uberto Bertacca to

design the piece. Though Bertacca has been active for some time, this year there was a kind of explosion of his work gathers, the authors' purpose (he was responsible for impressive works at the Piccolo Eliseo ting spacea s well as devising again exalted Marilyn to things to fill it. For Marilyn, he divided the Roman processions and the Aregntina, praised in opening in two, horizontally. In the lower part, there was an effectively oppressive apart-ment, all in mirrors and plexiglass, for Marilyn. There the opera's private events took Above, a larger space could be totaly black, then open in a sinuous vocalise in the like the shutter of a lens to second act. She was meant to form a rectangular screen symbolise Marilyn (and she behind which—as if in a newsreel-we saw the public events: parades speeches, a jazz-andpoetry session, and a rather miscalculated meeting of the House Committee on un-American Activities.

course, Monroe. The opera, actor's spoke their lines in however, is not intended as biography; its subtitle is "scenes from the 'fifties," and the obvious reference is to Scènes de la vie de Bohème. But instead of Luigi Filippo and Guizot, here we have General McArthur, the Korean War, Allen Ginsberg (along with Primo poeta beat, secondo, terzo and quarto), Timothy Leary, and Wilhelm Reich. In the private drama there is Robert Kennedy, who is apparently held responsible for Marilyn's death, and there is sing a Cole Porter number with

words wrong. Much of th etext is in English viction. Ferrero's opera may consisting largely of quota- not be a total achievement, but tions, and was almost totally it still can command only incomprehensible (except for respect.

Marilyn, oddly getting the

emphatic and involuntarily funny "Goodbye"). As a result, there were some ambiguities. The General, for instance, came across as human and sympathetic, perhaps because of Mario Basiola's consympathetic, vinced interpretation; whereas Reich, clearly intended to be an heroic figure, seemed longwinded and whining, especially in his long-distance duet with Marilyn at the protracted finale

the first of the opera's two acts. But at the base of these miscalculations there was a deeper ambiguity: it was, one to show how Marilyn was made into an impossible symbol and then crushed by a beartless

Emilia Ravaglia, the soprano who played the title role, did her best. She has a high, icy voice (one of her parts is the Woodbird in Siegfried), and she was very moving in a brief opening aria, "I love red," and did), not impersonate her. The immense cast also included a rock singer, who played Ginsberg, and a large number of actors spoke their lines in the poetry reading, a long prosy scene which slowed down the Ferrero's Marilyn is, of opera, not least because the sententious tones quite inappropriate to the beat poets.

false steps, clearly understands the singing voice, which he never failed to support with a delicate, interesting accompaniment. The orchestra was large, but exploited with imagination and subtlety, also in the solely instrumental passages like the introduction to the second act. Gianluigi Gelmetti, a specialist in contemporary music, conducted the orchestra firmly, persuasively. When I saw it also Yves Montand, who puts the house was not entirely full, in a very pallid appearance to but the audience, for the most part, reacted favourably. There were a few whistles and jeers at the end, but they lacked con-

Ferrero, despite this opera's

COMPANY NOTICES

THE RIO TINTO-ZINC CORPORATION

LIMITED

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the eighteenth annual general meeting of The Rio Tinto-Zinc Corporation Limited will be held at the Commonwealth Hall. The Royal Commonwealth Society. 16-20, Craven Street. London W. C.2. on Wednesday. 28 May, 1980 at 11.00 a.m. 1 The Chowing June Company's accounts and the reports of the directors and auditors for the year ended 31 December, 1979.
2 to acclare dividend on the ordinary shares.
3 To re-eject directors.
4 To re-special the anditors.
5 To consider and, if thought it, pass the following resolution which will be proposed as an ordinary resolution, namely:
"That the directors be authorised, GENERAL MEETING OF STEAM TO JUNE 2, 1980

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of Compagne Financhère de Suez will be held at the Grand Auditorium of the Palais des Congres, Centre International Compagnes and Compagnes Palais des Congres, Centre Medillot.

the tollowing resolution which will be proposed as a special resolution, namely:

"That article 76 of the articles of association of the Company (fixing the ordinary remuneration of the directors) be and it is hereby altered by deleting \$2,000." and by substituting therefor \$25,000." and by substituting therefor \$25,000. The least the meeting is entitled to appoint one or more protects to attend and, on all the company of the company of the company of the state of the company. The least the protect of the company, to the state of the state of the company of \$29,000.

D. A. STRATFEILD, Secretary.

6, St. James's Square,
Loodon SW17 4LD.

29 April 1880.

Notes holders of the ordinary or sentitled to attend and vote at the meeting. 2 A proxy may not speak at the meeting. 3 A holder of a share warrant to bearer; who desires either to attend the meeting. 3 and holder of a share warrant to bearer; who desires either to attend the meeting or to appoint one or more promes to altered and, on a poil, vote instead of him, will receive a ticket of admission on depositing at the Company's transfer office at 1 Reddiff Street, Bristol 851 GNT, at least 48 hours before the meeting, a written request for the issue of the Company and the share warrant is in the costody of the within the United Kingdom. The Channel islands or the isle of Man stating that the share warrant is not be used, it must be completed and returned to the transfer office so as to be received at this notice employed by the Company or any of its subsidiaries at the date of this notice. hours before the meeting.

4 There are no contracts of service whereunder directors of the Company are
employed by the Company or any of its
subsidiaries at the date of this notice
other than contracts expiring, or determinable by the employing company without
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NOTARY PUBLIC has effected the Drawing prescribed in the Articles of Association Paragraph 20 and Supplement of 2.1112/34 of numbers of Bands of Jutland Land Credit Association 4 per cent which are to be redeemed per 1st July, 1980.

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HAMBROS BANK LIMITED 30th April. 1980.

PUBLIC NOTICES

HERTPOROSHIRE. COUNTY COUNCIL CORRECTED NOTICE)
55m 51-day 85th toxical 2.4.80 day 2.7.80 at 1694%. Applications totaling \$19m. Total obtaining \$20m.

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- Vote on the Special Report of the Auditors:

- Re-election of three Directors:

- Election of two new Directors:

- Election of two new Directors:

- Discharge from duty of a Director whose term of office ended in 1979;

- Delegation of powers regarding compliance with formalities.

Shares may take part in the Annual General Meeting, subject to the right of the fight of the figh

CANADIAN NORTH ATLANTIC
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NOTICE TO SHIPPERS AND IMPORTERS
FUEL COSTS
The member itnes of the above conferences operating services between United Kingdom. Northern Ireland and the Republic of Ireland and Canadiam Maritime. St. Lawrence River and Great Lakes ports have continued to monitor bunker costs on a monitory basis and the results of this monitoring shows that the position as at 15th April justifies a reduction in the present level of bunker surcharge. At the same time the calculations show that a surplus has accumulated in the lines' recoveries and in accordance with sured conterence procedure the bunker surcharge has been further reduced by the emiselect recoveres and in accordance with agreed conterence procedure the bunker surcharge has been further reduced by the equivalent of \$2.00 per ton to offset this surgies. Immediately this surgius has been eliminated the \$2.00 will be restored to the applicable figures.

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Wednesday April 30 1980

Discord in Luxembourg

faced by a grave threat from the first place, the offer was beyond its borders. The theory only for one or two years at was that such a challenge would most, whereas the UK has spur the disparate nations of rightly insisted that a solution tion, on the "divided we fall" Community has almost invarithe Community's interest that ably failed to rise to such an there should be an unseemly

Afghanistan ---

This week in Luxembourg the Nine were again under pressure to close ranks at a time of growing world tension. Even as Mrs.

Thatcher fought her lone battle

of an average of five per cent Thatcher fought her lone battle to reduce Britain's financial contribution to Brussels, her Defence Secretary. Mr. Francis

Pym. was talling the Communication of the British budgeters readled in the settlement of the British budgeters readled in the settlement. Pym, was telling the Commons that the only way the Free World could survive was through "cohesion and co-opera-tion." Such cohesion, appeared. least, to have been achieved in Lpxembourg with clear statements of support for the U.S. by the Nine Heads of Government on Iran and Afghanistan. But on the biggest single internal issue dividing them, the budgetary cost of British Community membership, they once again failed to agree. earlier impression of unity on international affairs was dispelled, and the talks ended in frestration and disillusionment.

The disappointment is all the greater in that, in Luxembourg the Heads of Government for the first time got down to a serious negotiation on Britain's financial problems and came close to success. In the light of the dangerous new turn in world events, there was a determination to try to solve the problem that was not there at the Community's last summit meeting in Dublin last November. The offer to Mrs. Thatcher -a reduction of £775m in the estimated net £1.1bn British contribution this year-was far better than expected. The gap between that final offer and Thatcher's demand. amounting to a reduction of £920m, was small. There is a strong case for arguing that can narrow the gap between Mrs. Thatcher should have taken the money, for this year aim now must be to continue at least, and continued to fight the process at Ministerial level for further, similar reductions so as to close it. The problem in the years ahead in the subse- has dogged the Community for Governments off the hook and a time of world crisis and con-

NOT SO very long ago advocates months ahead. But there would of greater European unity half-have been two major difficulties hoped that the EEC would be in such a course of action. In Western Europe into greater must be agreed for as long as integration for their own protec- the problem is there-and that could be for five years at least. principle. So far, however, the It is in neither Britain's nor squabble at the end of each year over the level of Britain's contribution for the next 12 The second objection is that

the deal was only available in budgetary problem in the weeks ahead, this may ultimately have to be part of it. But the UK is doing a service not only to itself but to the Community as a whole in resisting it. Higher farm prices will inevitably bring the day nearer when Community funds run out and the Nine are forced to reform Comon Agricultural Policy. it will be easier to do so on the basis of lower common prices than higher ones. There is, of course, also a direct link with the UK's problems. If there is only a one-year solution, and the funds run out as a result of the farm price increase, there will be less money to reduce Britain's contribution

Trump card

Equally, Mrs. Thatcher still has a trump card in her hand. She can continue to veto the farm price increase, making it virtually impossible for a 1980 Community budget to be established. Then the money will ru nout even sooner. Neither President Valery Giscard d'Estaing nor Chancellor Helmut Schmidt would relish such a prospect so soon before they have to face re-election. But a continuing Community crisis is not in Britain's interest either. The Luxembourg meeting has shown that a classic Community negotiating session dent review of the UK contri- far too long. It is high time the .That would have got all Nine above its internal differences at averted a potentially serious front the wider threats that are EEC crisis in the weeks and facing the West.

Industry in the front line

gloom presented yesterday in the Confederation of British Industry's quarterly survey must be distressing for the Government, but it should come as no surprise. Demand, investment and employment are all falling, stocks and financial deficits are rising, while there is still no clear evidence that the underlying rate of inflation has started to decline. Many of these adverse trends were pre- and on to ratepyares and condictable short-term consequences of the Government's unwavering monetary policy. which the CBI and most industrialists claim whole-heartedly to support. Nevertheless, there are signs that industrialists confronting the consequences of public sector cannot be effected these developments in their own are impatient and even disillusioned

Pessimism

However much they may sympathise with the Government's overall strategy, it is present state of the economy, In its first Budget the Governthat industrialists are answering ment may have miscalculated the CBI's questions about the fiscal and monetary balance, general confidence in far But after the last Budget's gloomier tones today than in fairly tough fiscal decisions, the the late 1970s, when Labour was still in power. Exactly a year now be compatible with a fall ago, just before the General Election, optimists outnumbered pessimists in the CBI survey by 6 per cent. Today the balance of opinion has swung towards pessimism, by a margin of no less than 41 per cent.

Beneath industialists' generally laudatory statements about Government policy, undertones of criticism have been growing. The worry emerging most clearly is about the level of interest rates. While CBI leaders agree that the level of interest rates, should be dictated primarily by monetary developments, they expressed disappointment with other aspects of government policy which may have a bearing on interest levels. In particular. they were concerned that more had not been done to reduce government spending and the public sector borrowing require-

fustified. The public spending in Britain is impatiently awaitdeicsions already taken and the ing.

THE PICTURE of unremitting plans unveiled in the recent Budget are among the weakest But the main trouble with the Government's spending plans lies not with their scale, but with thei rquality. Instead of eliminating geuninely unnocessary or inefficient spending, the Government's plans will, in large measure, simply shift the financial burden of public spending away from taxpayers sumers. Since industrialists are directly affected both by rate demands and by nationalised charges, this shift in financing is unlikely to benefit industry. But

further genuine spending cuts and productivty gains in the

rapidly enough to influence this year's PSBR or the immediate

If interest rates have risen

prospects for interest rates.

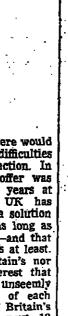
to almost intolerable levels and if tehy have to remain painfully high over the coming months. the fault lies not just with the Government's spending plans, but also to some extent with industrialists' own behaviour. level of public borrowing would in interest rates, provided only that industry could control its demand for credit. The cor-porate sector's deficit is bound to rise this year. But it is within industry's power to contain this increase to a reasonable level, The key to the corporate sector's financial deficit is the same as the key to the prospects for

inflation and for interest rates:

it is the level of pay settle-

Pressures

Until industrialists succeed in persuading their employees to accept realistic pay increases which take account of the Government's monetary targets, it will be impossible for them to relieve the financial pressures which their firms are now surfering. Only by learning to live within their means on pay can industrialists assure themselves of the soundly based decline in This criticism is only partly interest rates which everybody



Mrs. Thatcher digs in her heels erument were undoubtedly angry and in some cases depressed politicians yesterday after one of the most extraordinary summits in the history of the Community. The exception was undoubtedly Mrs. Margaret Thatcher, Britain's Prime Minister. Disappointed she may be, because there were occasions

during the lengthy negotiations in Luxembourg on Monday afternoon and evening when she seemed close to grasping the ultimate prize of a very substantial reduction in the UK's net payments to Brussels. In the event, she and her fellow Heads of Government nearly collapsed under the weight of the unprecedentedly difficult task they had set them-

Differences on matters of substance were the principal reason for failure, but the final inquests on Limembourg will certainly conclude that tete a tete negotiations from which officials are excluded are not the best way of trying to sew is also under pressure from a how effective the Heads of The of up a package deal embracing small but politically important Government had been in dealing designed

not only the British budget group of sheep farmers who with international questions. problem, but also community farm price increases, the Anglo-French lamb row and also general declarations on fisheries and energy policies.

But the final stalemate is not an outcome likely to cause Mrs. Thatcher to lose more sleep than she did at Luxembourg under the onerous demands of summit negotiations. For she is now in a powerfully strong negotiating position and none of the assertions that if she had handled things differently at the summit, then she might have achieved ultimate success. changes that fact. In the first place she has an offer-£775m off the UK's anticipated 1980 payments of £1.1bn - upon which she can build.

Secondly, especially France but most of the other EEC countries are anxious for agreement on a farm price package which will be withheld until the British problem is resolved. Third, President Giscard, who is seeking re-election next year.

want an advantageous settle-ment of the Anglo-French sheepmeat row. This will be withheld until the budget problem is resolved. Fourth, the EEC is still operating without a 1980 budget and this is bound to cause problems for all member states, but less so for the UK, because funding the Com-mon Agricultural Policy will

become increasingly difficult. There will be no successful moves to provide the Com-munity with a 1980 budget without a solution to the British payments problem because Mrs. Thatcher will block them.

ance to Chancellor Schmidt, the summit which later seemed to external international situation echo with the cries of prime and embarrassment to most Heads of Government that in- and chairman of the summit, ternal rows should give an he sent to Mrs. Thatcher last appearance of such disarray. Friday a suggestion that Less so, one suspects, to Mrs. Britain's net contributions to Thatcher, who went to great lengths at her Press conference on Monday evening to stress

There is plenty of evidence to suggest that the desire to recreate a measure of internal harmony within the Community was an important help to Mrs. Thatcher during those extraordinary hours in Luxembourg. In comparison with Dublin, a taken place in the desire of other governments to find a solution. As a result there were

almost too many proposals for

Underlining the progress since Dublin, was the fact that it was President Giscard d'Estaing of France-hitherto the most intransigent-who Fifth, and or great import- first set out his stall for a is becoming increasingly dire ministers marketing their proand it is a source of concern posals. Through Sig. Francesco Cossiga, the Italian President

> at the 1979 level for at least three years. The offer was ingeniously

the budget should be pegged

net payments would free the UK of the excessive budgetary consequences of an over-generous the UK would have to contribute 17 per cent of the cost while receiving only 6 per cent in new receipts.

The problem with the French offer was that it implied a E550m ceiling, and at that stage Mrs. Thatcher wanted more (her opening bid was more than £900m) and for longer than three years.

While the Heads of Governafternoon and evening, a re-worked proposal surfaced for bilateral discussions at the cellor Schmidt and President Giscard and several others wanted to go, so the time period was limited to 1980 with the promise of a review and possible further solution in future

Mrs. Thatcher began to signal that the money might be acceptable but not the limited duration. A one year deal would within months plunge the Community back into the same row, she suggested.

only be added to, never cut Unspoken was the fear that the farm price settlement desired by the other eight plus the cost of a UK budget deal would be bound to bring the Community up to its "own resources ceiling" limiting its predictable revenues to a 1 per cent share of member states' VAT collections If the UK was as community bankruptcy aproached, then its differing national interests would be conflict with those of the money-hungry farm policy so. beneficial to other states. During Monday afternoon, the British Prime Minister talked of compromising on three years instead of the six originally demanded by the British.

began to focus on a revised By mid afternoon on Monday,

not yet broken for lunch-separated for thought and con-

THE TUG OF WAR FOR 1988

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sultations. By this itme, Mrs. Thatcher had received what proved to be the final offer supported by France and West Germay with varying degrees of commitment by the oners. This ment were discussing everything retianed the £325m ceiling for from the world economy to Iran 1980 but suggested that it should and Afghanistan on Sunday be lifted to £490m in 1981. It was in effect a two-year deal with an unspecified promise of review. Mrs. Thatcher objected bilateral discussions at the review ars inacher objected summit on Monday, based on a to the 1981 figure, saying that 1978-79 average. It amounted to she would not go higher than a £325m ceiling. This was ceraround £395m which would raise tainly higher than both Chart the UK contribution broadly in line with the overall anticipated

line with the overall annespated facrease in community expenditure. She also stuck by her three year minimum.

When the meeting resumed early in the evening, Sig. Cossign switched the discussion to the other topics in the package and Mrs. Thatcher's tone did not help her cause. She found much to chiect in in the found much to object to in the farm price package and draft proposals on a sheepmeat deal and would not give a commit-ment su "equal access" to UK fishing grounds as part of a declaration on fisheries policy As 10 p.m. approached, Sig Cossign obviously decided that a package deal was out of the question and the budget problem was not again discussed. Chancellor Schmidt and Presi-

VAT collections If the UK was dent Giscard were adament fighting another budget battle after the meeting that fifey would not discus the UK's demands at the next summir in Venice in six weeks' time. This means that the issue must be settled at a lower level in the normal Council of Ministers machinery, presumably in parallel with renewed farm prices negotiations. Failing that Mrs. Thatcher must force it on to the Venice agenda by virtue of her power to block farm At this stage. Chancellor prices and other agreements. Schmidt and President Giscard Luxembourg suggests that when-Luxembourg suggests that when-ever, the deal is done, it will be done with bad grace on the part of some governments which tired and increasingly hungry may store up future problems Heads of Government—they had for Mrs. Thatcher.

John Wyles

THE FARM-PRICE CRUNCH

UNTIL THE EEC budget issuetheir own interests. This inpoint in farm Ministers continuing with this year's farm price review. Britain shows no sign of dropping demands for a freeze on some major surplus products without a better budget offer, and France and Germany are plainly intent on a 5 per cent price rise.

This deadlock comes as a somewhat shamefacedly weighbûtion that was also promised. Community showed it can rise ing its chances of recovering lost ground by withdrawing its These would have lifted the average price rise from the previous 2.4 per cent to 5 per cent, while crippling proposals to curb the runaway dairy

play off the British against the private doubts about the Finally, price rises are Germans while safeguarding wisdom of a price rise which horribly permanent; they can

Friday to press for 5 per cent on farm prices; and a proposal getary rebate, to a specific Democrat coalition partners.

years' grace and a bit more But the French and Germans

seem to want their price rises badly: President .. Giscard d'Estaing went so far as to propose a farm-price deal on the basis of an 8-1 majority ingenious French attempt to Schmidt, while reported to have problem.

is resolved, there can be little volved a Franco-German agree- ECU (\$2.27bn) to the budget, back. And Britain does not ment concluded in Paris last faces an election this year and appears also to have doubts about the wisdom of expressing tailored to suit the British put his budgetry fears publicly, forward by the French to limit lest this weaken the marginal the UK net budget contribution, but apparently necessary rather than giving any bud-support of farmers for his Free

gure. Mrs. Thatcher has gambled This would leave the Germans that the French and Germans This deadlock comes as a to bear most of the cost of want the price rises so badly the end of next year. The 13 collapsed totally under Francobroke down when German pressure. It is now broke down when German results in the price Britain would pay asked by their President. Mr. more than a year or two and for such a budget settlement is Roy Jenkins, to keep the option Britain insisted on a least three still high in relation to the open for a tighter prices policy short term financial, and political benefits.

would not under the French sioner, proposal, immediately affect Britain's budget contributions, they would add an estimated £300m to the national food bill. Britain currently appears to vote although Britain could They would increase food surhave the upper hand. Its probably veto this under the pluses and thus boost the high refusal of the budget offer has, so-called Luxembourg comprofor the moment, foiled an mise. And Chancellor Helmut root of Britain's budget

appear likely to be shielded from the budgetry con-sequences of this year's pricesettlement for more than three years. The Commission's compromise proposals which were approved by all farm ministers except Britain's Mr. Peter Walker, would almost certainly bankrupt the community before and to reaffirm the withdrawal of the 5 per cent offer put for-Although the price rises ward by the Farm Commis-would not under the French sioner, Mr. Finn Olav Gundelach.

But most of the Commissioners may prefer to leave things as they are, and to wait for the budget to run out before tackling the Common Agricultural Policy. By that time, the Nine governments may have ing more into the budget.

Mariaret van Hattem

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MEN AND MATTERS

Mouse takes

oil bait

I hear there was some gleeful rubbing of ands in Stornoway Way House yesterday as the news broke that Sir Donald Maitland was to move from his number two spot at the Foreign Office to be the Government's new "Mr. Energy." Taking over from Sir Jack Rampton as permanent under-secretary of State at the Department of Energy: Sir Donald is viewed by senior men at BNOC as the ideal man to help maintain the oll industry as a state-managed operation: both for straightforward security reasons and because of OPEC's preference for dealing government-togovernment.

He has, however, a reputation for being a studiously apolitical executive animal. And although sorely tried during his spell as UK ambassador to the Common Market, when the Labour Government failed to feed him a clear policy line, in public at least he stuck fast to his executive principles regardless of the pressure on his political instincts.

Affectionately known as "The Mouse" in the Foreign Office. Sir Donald has in the past suffered from an ill-founded reputation for waspishness and plain bad temper. He is, no doubt, a stickler for detail. Taking great pride in mastering the complexities of his briefs. he has been known to be hard with desk officers lacking his sharper insight.

But those who worked under him in Brussels and during his stint as ambassador to the UN say he quickly won the genuine loyalto of his underlings. Among his most endearing qualities are his sharp wit and startling abilities as a mimic. His version of Lord Scames. I am told, knocks them in the aisles.

And then there is the widelycirculated tale of his visit with a protest to the Icelandic ambassador during the so-called Cod. War. "This is supposed to



"What with the Day of Action, two Bank Holidays and the Liverpool-Arseual replays, I -can't see us in full production until June"

be a protest delivered at the highest level," the diminutive Sir Donald reportedly announced, "so I suppose I had better stand on your desk."

Spicing the AGM

Some companies would have misgivings about the prospect of a mass attendance of shareholders at the annual general meeting. But, fiving up to the boisterous spirit of its "light my fire" mustard advertise ments, Reckitt and Colman is waving a bright yellow come-on signal to its shareholders in the form of a 30 per cent discount on rall travel to the May 22 Back with Reckitt and Colman.

Currently in the grip of promotion fever. BR is happily CBI's Economic Situation footing the bill, even for the Committee. I am at a loss to postage. Reckitt merely had to know why this enormously likeprint a few thousand yellow able man should risk endangerimproving over the last two or the heair of the confederation's three years." says company sec-retary David Clifford. "It will I can only report that he took be interesting to see what effect a long time to make up his the concessions have. We do not mind. Twice he refused the job.

the far north of Scotland, but many other commitments, and for some it may just tip the balance between coming and not coming. Shareholders can combine the trip with shopping or going to the theatre."

Surprisingly, Reckitt appears

Double trouble

to be the first company to take advantage of BR's block discount arrangements, although these are often exploited by conforence organisers: Says Clifford: "Having a good

makes the whole thing come

sionary schemes. A current project involving Unilever products (a voucher permits two people to travel for the price of one) has been particularly fruitful; so far 2m vouchers have been issued. Petrol prices, too, have done their bit to get people back on the rails. Last year as many passenger miles - 19.9bn - were travelled as in 1961, when the network had not yet benefited from Beeching and was 30 per cent larger.

All the same, there are many in the upper echelons of BR who cast envious guanes at Sweden, where a simple 50 per cent cut in rail fares yest year obviated at a stroke the need for complicated forms on breakfast cereal packets, or special concessions to pensioners travelling an alternate Wednesdays (except Easter and June to August).

Hot seat

I see chalrman James Cleminson is to take charge of the "Attendance has been ing his sunny reputation from eaxpect anyone to come from he tells me, because he had too

took it only on condition that he should vacate his seat on the CBI's London regional council.

There were two most unpleasant surprises, left by uninvited callers, awaiting 78-year-old Berkshire businessman Gordon Says Clifford: "Having a good Clifford when he arrived home attendance of shareholders late on Monday night. The first was the damage and blood on the floor left by a somewhat hamfisted burglar. The second Over at the British Railways Board. everyone seems very happy with the boost to rail travel given by its concessionary schemes. A current project involving Unilever pro-Unigate was making a takeover hid for the family firm, Clifford Dairies.

As son and fellow director, John Clifford told me yesterday: "It's an ill wind ... fine police have since deduced that the Unigate messenger probably disturbed the burglar and scared him off before he could take anything of value."

Brief celebrity

Trying to secure an interview yesterday with Ian MacGregor. the man strongly tipped to be the next head of British Steel who flew into London yesterday, I rang most of the likely hotels. Eventually, at the Grosvenor House, I was put through to a bemused Scot, one Ewan MacGregor, "Ive just got down from Inverness," he told me wearily, "and the phone's not stopped ringing all afternoon. Why don't you lot just leave me

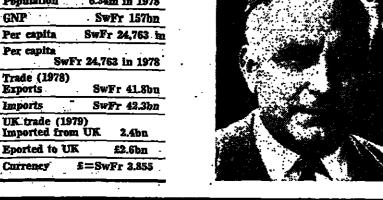
Cost of loving

Overheard: "Is your daughter still going out with that chap from the bank?" "No, she thought she could learn to love him but he did. not spend enough on her

Observer

Witzerlan

<u> </u>	
BASIC S	TATISTICS
Area	15,418 sq m
Population	6.34m in 1978
GNP	SwFr 157hn
Per capita	SwFr 24,763 in
Per capita Swl	Fr 24,763 in 1978
Trade (1978)	





The Queen ..., begins a State visit to Switzerland. Her host will be the Federal Council, the seven men who jointly head the Swiss confederation and act as its Government. For this year the Defence Minister, M. Georges-Andre Chevallaz (left), is President of the

The Swiss have been fiercely republican ever since the battle of Morgarten in 1315 gained them de facto independence from the Hapsburg emperors, but are quite happy to be royalist on behalf of others: competition has been fierce among local communities to get a glimpse of the Queen. It will be a meeting of sovereigns of very different kinds: a Queen, who no longer wields the

political powers of her ancestors; and a people which under the Swiss constitution is its own sovereign-and often applies the power implied to make or break legislation through referendums. Though this will be the first State visit

paid to the Swiss by a British monarch, British royalty has often been to the Alpine Republic. Queen Victoria's private visit in 1868 helped to make Switzerland fashionable with the British Pointers and mountaineast from British. Painters and mountaineers from Britain were the discoverers of Switzerland as a tourist paradise. To this day every resort has its "tea rooms" to pander to English habits, and English has become almost an unofficial fifth



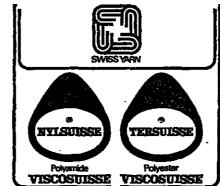
Introduction П. Economy

foreign bours	
Industry	IV.
Trade unions	▼
Banking	· VI
Capital markets	VI
Investment	AII.
Foreign workers	·VII
Tourism	VIII
The ethnic scene	IX.
Watches	X
Energy	XI
Chocolate	XII.
Cheese	XII
Chemicals	XIII
Textiles	XIII
Defence	XIV

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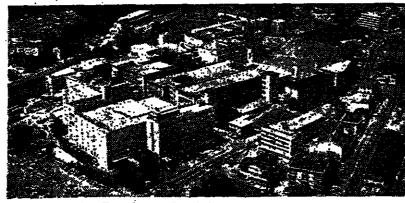


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. Data Bas

Innovation and productivity keep Swiss at the top

THE STATISTICS may be simple, but they are revealing; tone of Swiss society. Simple, but they are revealing; tone of Swiss a value eight times as high as 1 tonne of imports are equivalent to about 36 per cent of GNP, with machinery accounting for almost machinery accounting for almost machinery accounting for almost in the surface of the series of th my accounting for almost barely kept ahead of the monetary a third and chemicals for a fifth of exports. Expenditure on research and development the Swiss unions to maintain rate will be halved by next equals about 22 per cent of their traditional moderate year.

GNP, on a par with the level posture: no-strike, no-lockout For the moment the economy. GNP, on a par with the level posture: no-strike, no-lockout in the U.S.—but in the case of agreements in one form or Switzerland less than a quarter another are the rule. of the amount is paid for from the public purse.

Switzerland is developed industrial country, only been half compensated for Contrary to popular belief, only 6 per cent of the population demand consequent upon the works in agriculture. It is recession caused the franc to extremely successful in export rise so high in 1978 that the upon imports is also great; and its monetary targets in lavour it is a haven of the market of a policy designed to bring down the exchange rate. In the immediate Official policy quite un-ashamedly welcomes the goad

MARTIGNY

ZERMATT

which the market supplies to keep industry moving, and to keep it advancing into ever maintain their position at the top of the world table for GNP

It has also meant a readiness to accept recession: the 8 per cent loss of GNP in 1975 has. so far. The loss of import its work even more efficiently other words, the immediate interests of Swiss exporters and of the tourist trade were given internal purchasing power of the franc.

90 Swiss centimes from below The watchword has been to 80 centimes. Part of the credit shift of priorities, the National keep down inflation, thereby belongs to intervention in the Bank has dismantled almost holding down the costs of Swiss markets by the Swiss National completely the barriers pre-

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management; the consumer price index, but policy is fairly restrictive, and that has been sufficient to allow the hope is that the inflation

> For the moment the economy is doing well, though a mild recession, spreading outward from the U.S., is widely forecast for late this year or early next. If it comes, the goad of the market economy will have to do than in the past, because the recession of 1975 has deprived Swiss industry of some reserves.

Some financial fat has been drawn upon, and it will not be possible to repeat the drastic reduction of the labour force achieved partly by the with-drawal of some 100,000 Swiss (many of them part-timers), and the running down of the number of migrant labourers. A year later the trick had Their number is down from a greater added value. Only been turned. The Deutsche record 1.1m (including depending productivity and new Mark, which is crucial to the ants) in 1974 to about 600,000 products allow the Swiss to Swiss because of their close now, plus more than 200,000 on trading ties with West Germany, seasonal permits then, who have had risen to somewhere above shrunk to fewer than 100,000. In the course of the double

-Independently of that, the political batule has been going on about bank secrecy, the almost lengedary numbered accounts which have made Zurich so attractive to many a foreign investor (and tax evader). The Socialist Party last year mounted a campaign to abolish secrecy vis-a-vis the tax collector, Swiss or foreign, and has obtained enough signatures to be able to force a

referendum on the matter. That particular initiative will be kept waiting until proposed legislation governing withholding taves and bank regulation has been formulated.

Details are discussed in the political article of this survey. but in the meantime two points deserve to be recorded: the banks have since some time undertaken not 'actively" breaches of foreign exchange control rules of other countries, and to check carefully the identity of new foreign depositors, lest they be landed with unsavory money.

But, second, it is clear also that neither the banks nor the conservative parties (nor probably the electorate) wish to drop bank secrecy. After all, not only foreigners have numbered

accounts.
Within the Government it appears to be common ground that whatever measures are undermine the importance of Zurich as a financial centre (though it is a matter of argument how far you can go without running that risk). The reason is fairly straightforward: banks of direct taxes; imposing extra burdens need not necessarily increase the tax yield because both foreigners and Swiss could seek havens elsewhere for their

But what is common ground within the Government need not necessarily be common ground between the parties that provide the ministers. Strains between them have become very evident of lat. Some Socialists openly want to pull out of the well established coalition with the

very well established.

from consensus among some of the most active Socialists did the party little good in last year's parliamentary elections. Though it held on to its share of the vote. It lost seats and finished level with the Radicals with 51 seats each in the 200-member

The comparative failure of the Socialistis, previously the biggest party, seems to have eclipe, twice tried to reduce had two reasons. Some of their drastically the migrant labour parties farther left. But, more important, many potential But the votes were summently Socialist voters did not bother close for the Government to to vote, either because they felt that nothing would change moderate proposals: a lost whatever they did, or because referendum does not always they look upon the trade unions, which happen to be moderate, as their real representatives. One way or another, consensus

heard before the Government Moreover, at least on the face formulates a policy or the of it, the undeniable move away Parliament a law, to an occasional blunderbuss of a. referendum. Government and parliament twice agreed on proposals for a Value Added Tax,

Moderated

electorate.

xenophobe parties, now in total supporters drifted off to smaller force by means of a referen-parties farther left. But, more dum and were also rebuffed. come forward with its own more referendum does not always mean a lost cause.

Lost or won a referendum can influence events. Moreover, the institution can bridge the gaps that occasionally open up between a Government party ing part of Canton Berne. The

immense political achievementin histor yof having held together a nation of four different languages, resisting the powerful nationalist attracand were twice rebuffed by the tions that have at times come from Germany, France, and to a lesser extent Italy.

It is a system requiring a In the past, the so-called good deal of pragmatism and much patience. When issues really inflame passions, success can become elusive. Two votes on nuclear power last year have nuclear power stations may be Likewise it has not so far

been possible to achieve consensus in the Jura question: After referendums, a new canton, Jura, was formed last year from the North of the French-speak-

most evident in the economic who, most provocatively, the field, if one overlooks the held a rally in the southern still Bernese, Jura & builet was fired. Saveral people was killed. The question of who was to blame has not and probably will not be cleared in a company. will not be cleared up entirely.

The episode does hold a warning. The dividing line between the new Canton Jura and the South was drawn after a series of painstaking referendums to find out what each district wanted But the machinery for consensus canleft the question up in the air; not produce consensus where none is wanted. Not the referen built, but in practice the dum, nor the consulting of obstacles are formidable. special interests is the secret Likewise it has not so far of the Swiss way: the real much agitation and many his neighbours and by society at large to fit in with estab-lished patterns.

Business circles optimistic about economic future

OPTIMISM PREVAILS throughout most of Swiss business eventually taken, they must not Exports and output are growing; so is productivity. Unemployment at 0.2 per cent is at its lowest since the boom this year and for 1981 are judged with much caution: a provide 2 per cent of the jobs in recession spreading outward the country and pay 7 per cent from the U.S., long predicted, of direct taxes; imposing extra would make life difficult also for the Swiss.

Even in the meantime the growth rates are small, though not by Swiss standards. For 1980 the forecasts range between 1.4 and 2 per cent, with the lower figure looking more likely to be close to the truth. That follows upon growth previous two years and will still leave GNP in real terms some 4 per cent lower than in 1974, the year before the sharp recession of 1975.

In retrospect, most observers in Switzerland regard that setback as a healthy, if painful, corrective to an over-extension of the economy. The reason for their present optimism is a twoone: traditionally, Swiss those of the country's main period of strength should still retain a lease on life.

Rather more immediately, export demand has profited from the reversal of the fortunes of the franc since 1978. During that year the exchange rate of the Swiss currency mounted steeply, largely as a result of the low Swiss inflation rate. Towards the end of 1978 the Swiss National Bank abandoned its policy of fixing monetary targets and set itself instead a target for the exchange rate against the D-mark. The D-mark had slumped below 80 centimes. at which rate Swiss exporters and hoteliers were in desperate and noteliers were in desperate plights. A year later, at the end of 1979, the D-mark was back to 92 centimes and it appreciated a bit further in the opening months of 1980:

That success was achieved partly as the result of the usual phenomenon that exchange rates tend to overshoot, so that drastic movements are followed by a compensating reverse movement. But it was also due to the sustained intervention of the Swiss National Bank against its own currency. Com-bined with the abandonment of monetary targets, that gave Switzerland an unaccustomed inflationary push.

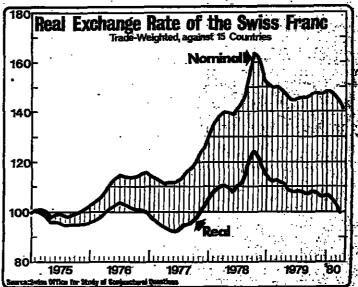
'Astronomic'

Within a year, the consumer price index rose by about 5 per cent which is almost astronomic by habitual Swiss standards. As a result, in De-cember of 1979 monetary targets were re-instituted. The National Bank proposes to keep the growth of the central bank money stock (not circulation plus current deposits of the corporate sector with the central bank) to 4 per cent.

The effect was immediate.
The money supply (M1) was actually 11 per cent lower at the en dof January 1980 than a year before. Despite central bank help with end-of-month settlements, the annualised interest rate for day-to-day money temporarily climbed to somewhere around 30 per cent at the end of March.
The signal from the bank is

clear: inflation once again is Public Enemy No. 1. In a slightly paradoxical way that is underlined every by a recent leak to the effect that the National Bank was determined to keep the D-Mark below 95 centimes, if necessary by heavy intervention in the markets.
On the other side of the pic-

ture, however, there is the recent renewal of an agreement between the Bank of Japan and the Swiss National Bank, involving also the Germans, and the U.S., in which the central banks offer each other swap facilities designed to stabilise their



RECOVERY FROM RECESSION

(Real gro	wth and contraction of GNP)
1974	+L4 per cent
1975	-7.7 per cent
1976	-0.6 per cent
1977	+2.8 per cent
1978	+0.2 per cent*
1979	+0.7 per cent*.

+1.4 per cent† * Estimate. † Forecast. Source: Swiss National Bank, National Accounts Group, Economic Forecasters' Working Group.

In the first place that agreement is part of central bank avoid excessive fluctuations of exchange rates. But one may also detect behind it some Swiss fears that too low problems for Swiss exporters, and open up Swiss import markets to an enhanced stream of Japanese goods.

Altogether it is important to note that whereas Swiss exports

are rising not only nominally, but also in real terms, imports are rising more quickly. In 1978 exports came to SwFr 41.8bn as against imports of SwFr 43.2bn; in 1979 exports had climbed to SwFr 44bn, but imports to SwFr 48.7bm. The resulting widening of the trade gap pushed the current account surplus down from SwFr 7.95n in 1978 to something short of SwFr 4bn in 1979. It is probable that as a result of imports pulled in by brisk economic setting the

activity, the current account actually dipped into deficit in the opening months of 1980. Some pessimists have suggested that the pattern may continue throughout this year, but that view meets consider able scepicism both bankers and in official circles. For a start, the first quarter often is a period of more than average imports; moreover the international revenue which the Swiss derive from foreign investments should rise as a result of the world wide

increase of interest rates. More important, slower growth later this year would reflect very quickly on import demand. Swiss imports, with their large ingredient of raw materials and semi-manufactures react very quickly to cyclical goods which the Swiss export do not About a third of their exports consist of machinery, which takes a long time to make: as a result there is a time lag before exports react to changes in the climate

outside. External payments apart, the Swiss economy is probably less well equipped to meet recession. when it comes, than it was in

Internal reserves have in many cases been whittled down by cutting margins to keep mar-ket share and also to hang on to skilled staff. The latter point

must not, however, he over stressed since the labour force was reduced by about 300,000 as a result of the recession, to some 3.5m now. Two-thirds of that number were migrant drew from the labour force; including many part-time women workers who had postponed their retirement during the

These are processes which it will be difficult to repeat in cases of renewed recession. The shakeout has probably gone as far as it can without causing.

real difficulties:
In addition, the worldwide rise of interest rates has not by-passed the Swiss, even though most other Governments would envy Berne which can still borrow with a coupon cia 1 to 5 per cent than to 6 p cent. That, however, constitutes a doubling in a matter of years. Higher interest rates have eroded, but not devouced, one of the competitive advan-tages of Swiss industry. What all this amounts to is

that some of the fat that

Switzerland accumulated during

the good years has been used up. But there is no reason to suppose that there has been a serious weakening of the Swiss economy. Less fat can in any case be healthy. Some acute problems of the early 1970s have come closer to solution. The construction industry then was a hotbed of inflationary pressures. Its collapse in 1975 and a subsequent moderate revival caused largely by demand for better quality hous-ing have left it in better shape. Likewise, the watch industry has tackled its structural prob-lems caused by the advent of the quartz watch and by com-petition from Japan. The industry has slimmed down from-90.000 employees in 1970 to 50,000 new. Maybe another.

shakeout at that end of the industry which makes the simpler mechanical watches.

Another point that tells in favour of Swiss industry is that the social consensus (discussed in more detail in the article of this survey dealing with the trade unions) has survived with little evidence of strain. Real wages have advanced slowly but steadily over the years: at the beginning of this year settlements were adding some 6 per cent or more to pay compared with an inflation rate last year

If this year's inflation rate, as expected, remains at souch the same level; and if next year the rate comes down, as is hoped, then such settlements will continue to look reason-able But if Switzerland makes a habit of an inflation rate of about 10 per cent (such as was seen in 1978-74), or more, then the consensus must come under heavy strain.

Clear logic

In spite of some of the cross were not replaced; the resistion seems to be clear. As long mainder were Swiss who with as the rest of the world has not mastered inflation, the Swiss-francismore likely to appreciate rather than to come down. That i does not, of course, exclude temporary lapses, such as those caused by sky-high American Interest rates early this year at a time when there seemed to be little exchange rate risk attached to the dollar. Zurith suffered an immediate outflow of funds.

At that time it was common to hear the Swiss franc described as a wea kourrency. Dr. Fritz Leutwiler, Governor of the Swiss National Bank, corrected that phrase: the franc. he said, was a strong currency undergoing a temporary bout of weakness. He was probably right, provided that rising energy prices do not further undermine the idyll of Swiss stability. (Energy contributed about half of the recent inflation rate). Swiss officials believe that the expected recession will be a help in this

If, then, the franc is likely to be a rising rather than a declining currency in the long... run, the Swiss will have chosen to suffer the goad which has helped to keep their economy moving for so long: by allowing it to take the full pressure of market forces-from tariff cutting within Gatt, from the free trade agreement with the EEC, and fro ma generally strong exchange rate—they believe they have ensured that Swiss industry is kept on its toes. The fight for survival of the watch industry is only one example.

W. L. Luetkens

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The Federal Council: (Left to right) Georges-Andre Chevallaz (President and head of the Military Department); Kurt Furgler (Vice President and head of the Justice and Police Department): Willi Ritschard (Finance); Hans Hurlimann (Interior); Fritz Honegger (Public Economy); Leon Schlumpf (Transport, Communications and Energy); and Pierre Aubert (Foreign Affairs)

Slow-motion earthquake shakes the political scene live up to its expectations. By two kinds of referendum: the they dosignal to Parliament and and the political system.

pace of Swiss politics, it has been a slow-motion earthquake; of Parliament in joint session. They are elected for the dura-1975. In the elections to the lower house of Parliament of are irremovable except by that year, the Socialists gained dath or resignation. As a rule, nine seats, which made them re-election is assured when a the largest party in the house of 200 members. For a time there was much excitement; the Socialists even threatened to leave the traditional coalition with the other three big parties unless they were given an extra member in the Government, known in Switzerland as the

the established formula of two mebers each for themselves, the Radical Party (mainstream conservative), and the Christian budget which has been running Democrats: (a Roman Catholic a small but obstinate deficit. party with traditions list and working class wings), and one for the Swiss People's Party (peasants and small tradesmen).

The other foot

At the next election, in 1979, of the vote, but because others did better lost four seats, finishing level with the Radicals. The the cautious Swiss electorate as so-called magic formula of though Berne is incapable of 2:2:2:1 seats in the Federal managing its affairs properly.

Council survived. But there is It would be fatal to allo

questioning the wisdom of of the entire budget structure. remaining in Governmentt. It There could be worse to come. has questioned a number of because the legal basis for the Government policies, called for two main sources of federal more intervention in the market revenue, an income tax and the raise doubts about military spending. The party leader, Herr Hubacher, has at times tried to put the brakes on this group, but is himself to a great extent associated with a policy of opposition from within the Government. The entire question membership in the Governpent may yet b ere-opened.

There is much evidence that the Swiss working class is not satisfied with the course of events in the Socialist Party. It has had difficulty in recruiting members among the young white and blue collar workers. It has not really pleased the trade unions, which are fighting for participation in company management as a model for the

Moreover, the party militants are often at loggerheads with their own representatives in the Covernment. The Federal Council is founded strictly upon the principle of joint responsibility. As a result, members (who would be described as ministers in others countries) may often have to put forward policies which conflict with those of their own party. Given that the 2:2:2:1 formula leaves the Socialists in a minority even on those occasions when the Christian Democrats sympathise with the Left, it is the Socialist Federal Counciliors who are most likely to find themselves at odds with

their party.

In this context a great deal of attention has repeatedly focussed on Herr Willy Ritschard, a Socialist member of the Federal Council since 1973. During the lifetime of the last Parliament his responsibilities included energy, and he repeatedly came into conflict with his own party's critical attitude to nuclear power.

Since the elections of last year. Herr Ritschard has been sidering them, it is useful to ing tax, at a stiff rate of 35 per

TOTAL

A POLITICAL earthquake has look at how Herr Ritschard cent, already applies to the to tax havens.

Members of the Council are In keping with thet normal elected by the National tion of a Parliament, and they new Parliament meets.

In 1973 a vacancy arose for a Socialist, and the party put forward a candidate other than Herr Ritschard. But bourgeois parties clubbed together and elected Herr Ritschard instead. Their choice had fallen upon a man who had made himself a good and But nobody was especially steady reputation in the trade surprised when they settled for union movement and in

cantonal politics. Herr Ritschard's most immediate task is to balance the federal equivalent to between 1.5 per cent and 2 per cent of GNP. The figures do not look especially alarming but Herr Ritschard argues that running a deficit in the present good economic climate could severely the boot was on the other foot. reduce the room available for The Socialists held their share deficit spending in a period of recession. Besides, constant deficits will make it appear to

It would be fatal to allow no denying that tensions be such an impression to gain tween the parties, and above all ground, because the electorate within the Socialist Party itself is the last arbiter over taxes and the labour movement as a whole have bene heightened. In the Socialist Party a group the introduction of an Added of young intelectuals has been Value Tax as part of a reform turnover tax, expire in 1982. Mr. Ritschard and the Federal Council will face a crisis if their proposals for the new regime are rejected by the electorate.

In other words, there could be another earthquake, butagain— do not worry too much: provisions exist to limit the potential damage. If the people turn down the new tax regime, the Parliament has emergency powers to extend the existing one a year at a time.
In the meantime, a number

of economies are proposed.
Some, such as the cancellation
of a bread subsidy and cutting
federal contributions to funded social security resources. will not please the Socialist Party. In addition Herr Ritschard wants to transfer certain financial responsibilities from Berne to the individual cantons.

Speculation

There has been much specula-tion as to whether Herr Rit-schard faces another confrontation with his party because of policy towards the banks. The Socialist Party has collected enough signatures to force a referendum on proposals to abolish bank secrecy where it is a means of tax evasion, to restrict the influence of banks in industry, and to introduce

deposit insurance. Herr Ritschard has not taken a public stand on the issue of the referendum which, in any case, will not be held for some years to come. He is, however working on proposals for reform of taxation and of bank regulation which will go some way towards meeting the same objectives.

Thus the Parliament has called for an extension of the existing withholding tax to apply to interest payable on Swiss franc promissory notes. put in charge of finance. Here on Swiss franc bonds of foreign again there is fertile ground for differences. But before confidence that the finance of the swiss franc bonds of foreign borrowers, and on trustee for differences. But before confidence that the finance of the swiss france product of the swiss fr

shaken Switzerland, but don't came to be a member of the yield of Swiss shares, Swiss worry: the existing political Federal Council. domestic bonds, and even of

savings accounts. Withholding tax can be reclaimed by anyone who shows that he has declared the income in question to the Swiss tax collector, or to the authorities of a country with which Switzerland has a double taxation agreement. The proposal, therefore, is a disincentive to tax evasion — though the rate of 5 per cent which is being talked tax could cause an exit of funds and the regulatory legislation democracy. Basically there are kind very rarely succeed. But tent with their circumstances

is in the phase of study by ex- especially popular, and there is perts and the interested parties. a hallowed tradition of referen-

There is a school of thought

The matter of deposit insur- that means it would avoid a one kind in which the elec- Government that something is recent study by a group of ance and of bankers' member probable defeat. On the reverse torate must rule on a law or afoot; frequently, therefore, social scientists at Berne Uniship on the boards of other side, the banks could try to measure accepted by or pro- they lead to legislation going versity found that 43.9 per cent enforce a referendum against posed to the Parliament. In that part of the way proposed in the case proxy votes on behalf of the tax and the regulatory pro- case the referendum is an petition. case proxy votes on behalf of the tax and the regulatory pro-their clients in shareholders' possals: all they need are extremely effective instrument: Value Added Tax is dead. In meetings may be tackled in the 100,000 signatures. Only that is forthcoming reform of regula- a referendum that they, too, tory legislation. At present it might lose. Banks are not

dums going to the "nays." The story has been told here according to which the Socialist
Party will drop the referendum, at some length not only for its of does not seem too terrifying, and with it the issue of bank own sake, but because it shows secrecy, if the withholding tax some of the workings of direct

the other kind of referendum 100,000 citizens have to sign a petition asking for the consti-tution to be changed in

Socialists is a case in point. And the afct of the matter is that initiatives of the second

The dwindling participation of voters in the regular federal referendums has often exercised Swiss political commentators. Last year's election has given them added food for thought. accordance with their wishes: The turnout was marginally be-the bank initiative of the low half the electorate,

One is often told that many of the people who do not vote. abstain because they are con-

pressed a high degree of satisfaction with the system, whereas 41.0 per cent were only moderately satisfied, and 15.1 per cent expressed a low degree of satisfaction. Many Swiss thought that a bad score; in many other countries one would be happy to have no more than one in six serious malcontents.

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	Seat 1975	s wor 1979
GOVERNMENT PARTIES Radicals (conservative) Socialists Christian Democrats Swiss People's Party (agrarian)	47 55 46 21	51 44 21
OTHER BOURGEOIS PARTIES Liberals and Independent Liberals (conservative) Evangelical Party	17	. 10
XENOPHOBE PARTIES National Campaign and Republicans	6	
LEFTWING PARTIES Communists POCH (Extreme Left)	4	1
OTHERS	1	

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Country treads lightly over UN

later this year will submit a almost embarrassed by what it recommendation to Parliament was eventually going to desproposing that Switzerland cribe as desirable. dhere to the UN Charter. What happens then is in the lap first of the Parliament; then of the 'sovereign,' as the electorate is

Parliament is sympathetic to the request; it is supported by four main parties and by the majority of politically interested Swiss who feel that by standing side from the world organisation, Switzerland is remaining mute in many places where its voice ought to be heard.

opinion polis have consistently shown a majority against joining. Quite plainly the UN is widely considered an moreover inefficient anđ expensive organisation, whose General Assembly has fallen under the influence of what many Swiss regard as an unruly Fhird World.

Under such circumstances, the Parliament may be tempted to procastrinate, as the Government has been doing for ong. The recommendation to be made later this year will which have gradually moved in favour of joining the world

Referendum

But the decision is neither in the hands of the Government, nor of the Parliament. The constitutional position is quite clear: the last word rests with the electorate in a referendum. The decision when to hold the referendum will rest with the Government, once the Parliament has approved. There is a fair chance that the Government will want to go slow, probably in the hope that something will turn up. A likely time is in 1982 or late in 1981. Since 1983 will be an election year it is probably best avoided. Everybody in Berne is acutely aware that the referendum may well be lost but it would be nothing unusual for a matter of importance to

its approval. The forces ranged against applying are formidable, including, Herr Otto Fischer, head of the association of small shopkeepers and artisans. He looks upon the whole idea of membership as something in conflict with Swiss traditions of neutrality which go back at least to the Congress of Vienna

be referred to the electorate

more than once before gaining

in 1815. The Government itself, in

THE FEDERAL COUNCIL, report to Parliament on the Programme. Government of Switzerland, matter, issued in 1979, seemed . Given the

"There is no denying," said, "that in recent years the General Assembly has taken decisions which were not always compatible with our judicial and moral conceptions of the international order. Some resolutions have even shocked Swiss public opinion and rightly so."

But the report did go on to say that the U.N. was the only forum that the world had for peaceful dialogue and conconfrontation. As regards the neutrality of the Swiss, Berne argues that that part of the U.N. Charter which provides for the possibility of military sanctions has remained a dead letter. The emphasis in cases of conflict has been on beace keeping, and the Swiss have played a role, if a very small one, in such operations, without, of course, sending soldiers of their own.

For it is a mistake to assume fhat the Swiss have stood aloof from all U.N. activities. They are even members of Unctad. whose activities are unlikely to commend itself to a people of profound economic conservatism (and one that, being a technological innovator. much to fear from the developing world's pressures for transfers of technology).

But there is a number of organisations from which the Swiss are barred or where they may attend as observers only. For instance they do not belong to the Commission of International Law, in spite of their special interest, as a small and neutral State, in this subject. interest prompted them, in the Conference on Security and Co-operation in Europe, to put forward a proposal for a system mediation in European quarrels, which attracted considerable attention.

The UN organisations to range from the purely func-tional, such as the International Civil Aviation Organisation, to others with distinct political overtines such as Unctad, as already mentioned, and file

.Given the isolationist, not to Honduras. say parochial, bent of the Swiss. "sovereign," if need surprise no one that the Swiss aid effort usually gets bad marks. The Development And Committee (DAC) of OECD in January examined the Swiss performance and found it wanting.

In 1978 official Swiss aid was the equivalent of 0.2 per cent of Swiss GNP, compared with a DAC average of 0.35 per cent and a target of 0.7 per cent. Berne is budgeting for increased. Government aid, which may rise to 0.25 per cent of GNP in 1981.

Token amends

People in Swiss Government still speak with a sense of em-barrassment of events in 1976 when enough signatures were collected to force a referendum which refused the Swiss authorities the right to take part in a capital increase of the International Development may (the soft loan sister of World Bank). This year they offered at least token amends by proposing to warve repayment of SwFr 182m, the outstanding amount of two Swiss loans made to EDA an 1967 and

DAC was cather more impressed by the quality of Swiss Givernment aid, two thirds of which goes to the Least De-veloped Countries (LDCs), and by the flow of private funds to in a bomb developing countries (though hardly to LDCs) which, at 4 per cent of GNP in 1978, was high than that from any other OECD country. It is, however, a moot point how much of that money was really the product of domestic Swiss savings.

Switzerland occasionally also gets a bad Press because of exports that others consider sensitive. In recent months the U.S. has complained about sales of a heavy-water plant to Argentina, and of a avive that can be used in an uranium. enrichment plant, to Pakistan. In both cases the Americans the Swiss do belong felt that the Swiss were in danger of assisting the prolifera-

tion of nuclear weapons. Britain has been upset by the sale of Pilatus light aircraft to Guatemala. It is afraid that they might be used as rocket United Nations Development launchers in any conflict about

that the effending export is see, their dilemma, but there either not identified or is not is also something distingenuous in fact a sensitive one. In the argument, the size of the Pilatus the argument to less disagregable ment is that Switzerland does fings, the old Swiss tradition not sell armaments into areas of fendering good offices an

As regards the nuclear exports; Berne argues that it has complied fully with its obligations under the Non-Preliferation Treaty and of a member of the London flut of mulear argulates. Argunting his argued suppliers. Argentina has agreed to the required safeguards as a mendition of the entire deal, the Swiss say — but it has not adhered to the NPT.

In the instance of Pakistan, an episode which became known about a year ago, it is argued in Berne that there was no official knowledge that the Swiss-supplied valve was a vital part of a granium enrichment plant similar to the Urency uranism centringe built by Britain, the Netherlands, and West Germany. Enrichment is enriched before it can be used its force.

. The Swiss say that the non-

British nuclear members of NPT have londuras.

Consistently been refused an
Tab Swiss answer in both ifemised list of what goes into cases is very much the same, an enrichment plant. One can

of tension — but that a light the international scene still apporate is not a weapon. It lives Messages between States probably is not — but with a that are at loggerheads have that are at loggerheads have little ingentity and application occasionally passed through can be turned into one. So, Swiss diplomatic channels. It admittedly can a lot of other is a tradition made possible by Swiss neutrality.

Frequently the good offices become fermalised. Thus, For instance, the Swiss take care of Iran's interests in Egypt, Israel, and South Africa—three States with which Tehran has reptured diplomatic relations. The Swiss also look after Cuban interest in the U.S. (an unlikely sounding task for so conservative a country), and vice versa.

Time was when it could be argued that a neutral Switzer land was essential to help sort out the mess after others had relled and fought: military technology may have made that argument out of date.

But the instance of the Swiss diplomats taking care of some one else's diplomatic inferests a sensitive matter because in more than a dozen capitals uranium has to be heavily sheets that it has not lost all

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Engineering is key industry

machinery and vehicles—or well over half if the related metals and watch industries are added. Last year no less than 34 per growing market cent of total Swiss exports were For the text accounted for by sales of machines and instruments, excluding timepieces. What is good for engineering is, gener-ally speaking, food for the

Like many other industries, engineering is just emerging from a period of low growth rates. Volume production of the "machines and apparatus" sector actually fell by 1 per cent last year, according to latest Government figures. In the last quarter of 1979 turnover of the engineering and metals industries combined was only 0.4 per cent higher than a year earlier; for the whole year the Swiss Association of Machinery Manufacturers says that sales of its 200 reporting members rose in value terms by only 0.3 per cent over 1978, albeit to a sub-stantial figure of SwFr 13.7bn

57.95n).

18 per cent in the first two
In the past few months busi- months of 1980 than for the ness has picked up considerably. enough for manufacturers to be expressing "above average optimism" for the current spring great deal of ground to make quarter in a survey published by up after the lean years of the Union Bank of Switzerland. late "70s. Demand has been rising rapidly in both export and domestic last year averaged only 148 markets, Swiss manufacturers having benefited from the in 1974. Although total orders stabilisation of exchange rates and an overall need for the for the 200 reporting member modernisation of machine shops. undertakings of the Machinery Employment levels are up and order books getting longer.

For 1979 as a whole the Assoper cent improvement in new of fresh business has continued lead time had been nearly 10 and even strengthened this year months. so far. The relative weakness position in world markets, while further 6 per cent in real terms

important exchange rate, brought orders ago. CONTINUED ON FACING PAGE

IF THERE is such a thing as outstanding down from the a key industry in Switzerland's equivalent of 17.6 months' highly diversified economy, it is output in the boom year 1974 to undoubtedly the engineering a level of 4.4 and 4.7 months sector. Almost a third of the production respectively. By the total industrial workforce is end of last year order books engaged in the manufacture of covered seven months' output again—a situation where the loom builders appear unable to expand sufficiently to meet the

For the textile machinery branch last year brought excellent results from the International Textile Machinery Exhibition (ITMA) in Hanover, not least in the light of recovery in the textiles industry itself.

New orders

Not only this group of manufacturers profited from a major fair, orders awarded to Switzerland at the European Machine Tools Exhibition (EMO) in Milan were "good to very good," while makers of plastics processing equipment did well at the K'79 International Plastics Fair in Dusseldorf. These three events were instrumental in improving new orders in the latter part of

The rise in orders since last autumn and the fact that exports were higher by almost corresponding period of last year are definitely encouraging.

The production volume index (1963=100) compared with 168 were up in 1979-to SwFr 14bn Manufacturers' Association this total compared with a value of SwFr 15.5bn five years ciation's report points to a 5.5 earlier; export orders were still 5.5 per cent below the 1977 orders, with a particular upturn level. Work on hand remained in export and domestic con- steady, closing the year at an tracts in the nal quarter. Initial average 71 months production, indications are that the influx but in 1974 the corresponding

Moreover, growth in business of the Swiss franc in the first has by no means proved quarter improved Switzrland's tantamount to growth in actual earnings. Most undertakings domestic investments in equip- are still working on very narrow ment are expected to rise by a profit margins, the industry's generally long delivery dates meaning that earning power is textile slow in following an improvemachinery sector is out of the ment in market conditions. The serious crisis it experienced in price situation continues to be 1977 and 1978. The worldwide difficult, even if fewer contracts textile recession, aggravated by are probably being accepted at the strength of the Swiss franc uneconomic rates than a year



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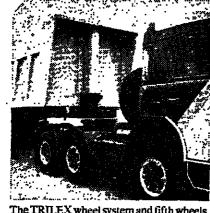
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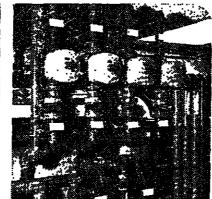
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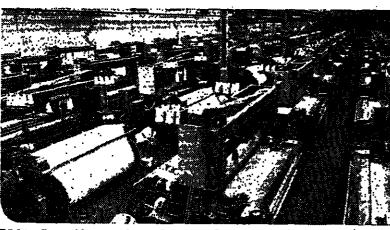
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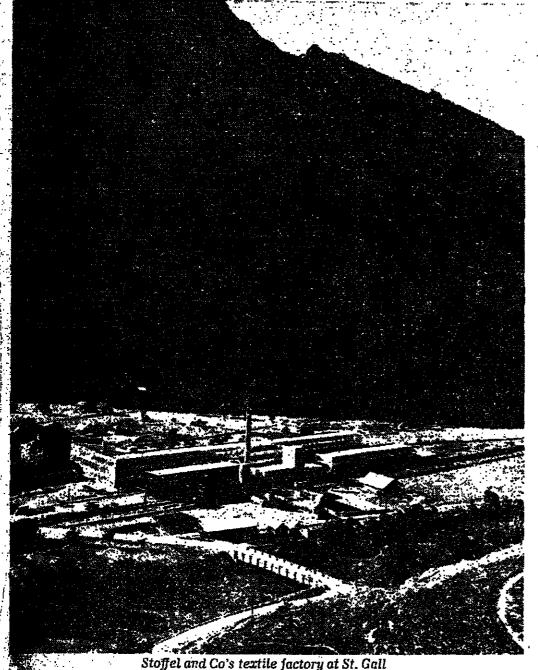
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Engineering

CONTINUED FROM PREYIOUS PAGE

showing a rice in overall export prices over comparable 1979 figures with a further decline he case c. electrical al equipment and pre-litton throught. Convestions are the order of the day to the ng of sales prices this ate thine when in then are of red material and labour

unemployment in the industry his averaged well under 1000 can be safely assumed

the the octual number of situathroat is well in excess of theoreumities to build up "inprover with newly arrived above the limited in the and their is a painful a spatial skilled rn he market.

At the beginning of 1980 only ably future. Over 40,000 jobs strong Swiss franc has priced non-electrical machinery was have been lost in the product the country out of world group machinery, apparatus and markets, engineering companies vehicles during the past are increasingly building up decade, almost all of them their position abroad through m' hines and apprimatus and to apparently phased our com- operating subsidiaries. There pletaly. For the past two years are no signs-as yet-of a net shift of jobs out of Switzerland (the labour force slowed a sight increase less year, in fam), but for many groups corporate expansion will be taking place abroad. Foreign growth will also doubtlers take the form of cheaper and less ophisticated production being

prised on increasingly to such reide afflintes while parent 2 . Irosdy high ddod-value component at home

largely renounced the use of trade union power in the usual meaning of the words but it be wrong to conclude that their influences is, therefore, small. On the contrary, they have been integrated into the political decision making

In the conduct of individual enterprises, however, their role is less than that of their fellows in West Germany and Austria, who have varying rights of participation in management, Proposals for requiring the larger enterprises to acept workers' representatives on their boards were voted down in a popular referendum in 1976. The battle now is on to reverse that verdict. Like everything in Swiss politics, it

Swiss labour relations were not always as peaceful as in the post war era, during which strikes have become most unusual. In 1918 the army was called out when a general strike started in Zurich, caused by hard times in a country surrounded by a Europe at war.

The strike collapsed quickly. Under the impression of that strike the electorate, through a referendum, introduced proportional representation which, alone, made posible the entry of a large Socialist group into the lower house of Parliament. the National Council. Labour had begun to become respectable. By now the Socialists are an established member of where in this survey); and the consensus that constitutes the Swiss way of politics.

The next historic milestone the celebrated no-strike agreeconcluded in renewed ever since. The agreement was born of the very In other industries patterns special situation of 1937 when may differ. Wages in the the danger of war in Europe chemical industry, for instance, and of the consequent pressures

It is undeniable that the

TRADE UNIONS in Switzer- time not only in Mussolini's ever, you are told that very Whether it will eventually go all land have become a byword for Italy. In the case of Switzer- often the employer tells the the way is something that at itself into a knot. Thus well conciliatory conduct. They have land, however, a corporate state committee more than he need present nobody can know. The meant proposals to improve the is utterly ruled out by both the parliamentary tradition and, hear)-and that the committee even more, the institution of also has its own ways of trade union movement is basis by letting them stay on direct democracy, which make gauging what is going on. No divided along ideological lines, and bring their families to all major and many minor wonder the members are under SGB which is close to, but also Switzerland have run into diffidecisions at national, cantonal, an obligation not to pass on at times at loggerheads with, culties. The initiative came and commune level subject to information to outsiders, which the Socialist Party, has 470,000 from the Christian National approval popular referendum.

The no-strike agreement in management to agree, but also wealth and income, but not of the readiness of the several social status. diffetrent trade unions' organisations (which will be con- want the right to information their differences.

The key clause invoked the one of grace. spirit of mutual confidence, The atter and it is safe to say that the entire structure of industrial having failed, the matter is now relations in Switzerland is before the Parliament where a based on that concept. Industries other than the metal under consideration. The largest industry may not have quite so trade union organisation, and explicit a no-strike agreement, with it the Socialist Party, but strikes and lock-outs are wants labour to have half the renounced during the period of seats on the so-called Board of validity of collective agree- Administration, which in law is ments. Moreover, that renun- responsible for running public

Good faith

It is a peculiarity of the workers' peace agreemetal the seemingly permanent ment that wages are negotiated Government coalition (whose not by the union but separately fortunes are discussed else-in each works between managewhere in this survey); and the trade unions are by right elected to represent the winds drawn into the intricate process collar and the blue collar and the blue collar workers. One might have that this would ment and works committees that this thought encourage leapfrogging. But if you ask a Swiss union official after the electoral reform was about that, he will probably invoke the appeal to good faith and then tell you that leapengineering and metal indus-frogging there might be—but tries in 1937, an agreement only once the anual wage agreewhich has been regularly ment concluded at works level requires renewal.

In other industries patterns are negotiated nationally. But on the economy was once again the works committee is a widespread and crucial institution. It has the right to be informed peace agreement has certain about what is going on in the elements of the corporatism works, but not to have access made towards participation, but lament, and Government to try which was fashionable at the to the books. In practice, how that it will be very slow, again.

may include officials of their members through its member Trade Unions, but they soon

Unions wield power in politics

own union.

Given the fact that much of the metal industry, as it has Swiss industry is split into small evolved, provides for com- concerns, often under family or pulsory arbitration in the case of disputes. From the very paternalist pattern comes beginning it forbade not only strikes during the period of its spite of the large number of validity, but equally banned lock outs. And it required not community, and one which many only the will of labour and

Nevertheless the trade unions sidered lower down) to bury and indeed to participation as a matter of right rather than as

The attempt to ensure participation by referendum ciation is justifiable: if media-tion fails, the labour courts can be appealed to.

Cool foith

mediacompanies though it may delegate its authority (but not its
ultimate responsibility) to a
Board of Directors. This proposal, put forward by the Swiss Trade Union Federation (SGB), would allow persons not em-ployed in the company concerned to be elected to the

> The second largest group, the Christian National Trade Union Federation (CNG), a federation of Roman Catholic trade unions. would restrict membership to persons employed in the com-

Board of Administration.

Yet another proposal associsted with the Radical Party, the mainstream Swiss conservatives, would provide a firmer legal basis for participation at works level, but not at enterprise level—in other words no labour representatives on the Board of Administration. Unlike the other two proposals. this version would require no referendum.

The probability is that events will follow a familiar Swiss pattern: that progress will be

(often more than shareholders obstacles are in any case great. lot of some 95,000 foreign wor-

the Socialist Party, has 470,000 from the Christian National unions. The CNG numbers found that others were taking about 100,000. They find their over the leadership. counterpart in a smaller These others overlooked the federation of 15,000 Protestant fact that on balance the Swiss unionists, and several white collar federations: bankothers (140,000).

Consensus

with each other for members, country.
but by all accounts the consenbut by all accounts the consensus which is c haracteristic of so much of Swiss life also seems to rule here. The various groups generally feel that they have more in common with each other than with, say the employers.

What have the Swiss trade unions achieved as a result of having buried the strike weapon? In the first place steady though not spectacular wage increases. The general pattern repeated again this year, has been one to two percentage points above the inflation rate this year. The watch industry, however, has not felt able to give full compensation for the rate of inflation this time.

Wages apart, the trade union movement has been integrated into the network of official expert and advisory commissions which deal with just about every subject of any im-portance, and in particular with legislation under preparation. The Federal Department of Economics alone has more than 100 such commissions, composed of civil servants, academics, and representatives of the special interests. It is a curious but probably essential complement to government by re-ferendum. In the crudest of terms, what comes from the commissions is consensus, or the basis for consensus. In emergency the electorate can then reject the proposals and tell experts, special interests, Par-

Of course, the system can tie As has ben scene, the Swiss kers allowed in on a seasonal

trade unionists. In addition trade union movement wants there is a group of rather more fewer rather than more than 20,000 anti-socialist trade foreigners in the country. The unionists, and several large CNG therefore turned cool to the whole idea of a referening employees (20,000), teachers dum; the SGB had never (40,000), and a large group of warmed to it. Both now hope white collar people, supervisory for legislation which will staffs, hotel employees and abolish the practice of letting some foreigners in for nine months at a time only but will also prevent an increase of the These groups do contend number of foreigners in the

> what the unions have gained by their moderation, concerns how long the idyll can last. Undeniably the wind has turned a bit chillier since the energy crisis and the recession of 1975. The SGB has published a draft programme which caused the bourgeois Press much anguish. Having all but dropped its belief in interventionist policies during the free growing 1960s. the SGB now proposes that intervention on the part of the State may be necessary to secure obs, to protect consumers, for purposes of redistribution and social security, for a new energy policy, and for certain other reasons.

There were cries that the SGB had betrayed the market economy. But as a matter of record, SGB leaders are not at all happy with the conduct of the Socialist Party, which is making far more militant noises. So far the evidence is that the union leaders will stick to their accustomed moderation and that the shop floor will not press them to change course. An inquiry made in 1976-after the recession had struck-showed that 77 per cent of the trade union members polled favoured the no-strike regime. Not surprisingly the percentage rose to 83 per cent among the over-55s: but it also rose, to 81 per cent, among the young from 18 to 24 years of age. It sounds like a reverse generation gap.

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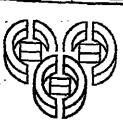
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Bankers foresee accelerating decline

reported record net profits last year, yet there is no escaping a feeling of deep concern for the future among top bankers in Zurich. Credit Suisse crystalised this in its annual report when it spoke of the danger that Switzerland, which has been declining in relative importance for years as a financial centre, will see its business begin to shrink even faster than before."

The bank made this comment in the context of the lifting of Britain's exchange controls, which, it said, increased the relative com-petitiveness of London as a financial centre. But in fact this development was just one among several, including including stronger political attacks on the banks within Switzerland itself, which have combined to throw them very much on to the

Perhaps the most worrying of these as far as the bankers are concerned is the squeeze being placed on them by Switzerland's high capital requirements. That these are higher than in other countries is well-known.

equity to asset ratios of the The other problem could be again three major banks ranged from much more fundamental. It is found.

5.89 at Swiss Bank Corporation the great probability that with to 6.78 at Credit Suisse. At in two or three years Swiss on equity at the Swiss Banks was a mere 5.99 to 6.81, while at Bank of America it was 18 and at BNP it was as high as

This shows that Swiss banks have some justification in grumbling about how difficult it is for them to stay competitive in the international arena. At the moment the problems are being aggravated for two speci-

of foreign business booked in their balance sheets. The value of this in francs has increased enormously as the Swiss cur-rency weakened. Precise figures are not available, but it is reckoned as a rule of thumb that every time the dollar rises by one centime in value, balance sheets att he major banks expand by something like SwFr 100m. Equity thus needs to be continually increased simply to keep up with exchange

Bank of America it was only banks will be required to pub-3.2, while at one large French lish consolidated balance sheets banks will be required to pubbank, Banque Nationale de on which capital requirements Paris, it was only 0.68. Return will be applied. As a first step the banks are already supplying the Federal Banking Commission in Berne with details on an informal basis. It looks as though the formal rules could be drawn up quite soon. When that happens the banks may face further crippling demands for

This is one reason why they are already very cautious with some types of business, such as low margin syndicated credits. The first is the recent rise of They feel that accepting a marthe dollar. All three major gin of 1 per cent on a deal, banks have a very large amount which might be reasonable from banks have a very large amount the market point of view at present, could turn out to have been pure folly in two or three years' time when the capital requirement on that business may be much higher.

capital.

In fact this point simply serves to illustrate the dilemma which they face. On the one hand they have to generate more and more business to service their increased capital; on the other, the new business so often simply lifts the balance sheet to the point that once new capital has to be

would of course include trading activities in securities, foreign exchange and precious metals, as well as underwriting and most important, the off balance sheet trustee business which makes Swiss banks the largest suppliers of funds to the Euro-

Good profits

For the immediate future most bankers in Zurich expect that 1980 will be "another good year" for profits, although higher capital.

It is of course hard to see at

this stage in the year exactly where the profits will come from, but given the sharp fall in the gold price, the fact that stock market activity may not be quite as buoyant as last year, and the prospect of a lower underwriting volume for new foreign bond issues and private placements, it looks as though the banks will be thrown very on interest earnings for

impact may not be felt most strongly until next year and the year after because the banks still have large numbers of low-yleiding medium-term notes out-standing. This keeps their total interest bill down.

As the notes are paid off (next year UBS, for example, must redeem Sw Fr 413m of such notes originally issued at less than 3 per cent compared with only Sw Fr 41m (his year) they are prone to add that they and replaced by notes yielding will need it to service their the higher current rates, the banks are going to face a much higher total interest bill.

Here once again are grounds for Swiss bankers to view their own achievements of last year with so much caution. But the results should not be overlooked since they rest in part at least on a successful attempt to control costs. In 1978, all three major banks suffered a decline in net profits of some 6 per cent. Last year this was more than made up. Swiss Bank Corp. lifted net profits

The end result may well be, Indeed, the margins on by 15.8 per cent to SwFr 258m, according to some bankers at interest business were already Union Bank of Switzerland least, that the banks will tend lower last year at all three posted a 16 per cent increase

in the long-run to concentrate major banks and the higher to SwFr 290m and Credit Suisse more and more on business earnings from this quarter came, one of 12.3 per cent to activities which do not impact even then from an expansion Switz 247m.
on the balance sheet. This of business As interest rates. At Credit Suisse, balance continue to rise this pressure sheet growth exceeded profit is likely to continue, but its gain with total assets rising by 18 per cent to Swer 55.23bn, but at the other two, assets

greet more slowly than net profile.

Swiss Bank Corp. was the largest bank in the country with total assets up 9.39 per cent to Swir 68.180n, while UBS reported a 10.5 per cent balance sheet gain to Swir 67.37bn.

Despite this, a cautious policy was applied to dividends and all three maintained the same payout for last, year.

all three maintained the same payon; for last year.
This will add sturflier to shareholders equity which in the case of Swiss Bank Corp. was already 5.4 per cent higher last year at SwFr 3.93bn. At UBS it rose by 9.1 per cent to Swiss at Credit Swee 4.07bn and at Credit Subse by 12.4 per cent fo

The frend for equity is mani-tell upwards. The question of the banks and their sharefor the banks and their share-holders is whether profits will confinue to keep pace.

Peter Montagnon

Capital markets cope with rising interest rates

The yield on long term Government bonds, which stood at 3.11 per cent in January 1979 has now risen to over 5 per cent.

This is admittedly a small increase when set against developments in some other countries, but by Swiss standards it represents a very marked change in climate, even though the market has recently enjoyed some stability with coupons at the 51 per cent level for domestic issues.

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One of the biggest problems as far as the capital market is concerned has been that short term rates have risen much faster than those on long dated bond issues. At the end of March the short term rates

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ACTIVITY ON the Swiss capi were in fact much higher with take is accounted for by the the market if it were levied at tal markets has been over- one -year time deposits paying banks, which will raise some the 35 per cent level which shadowed during the past year 64 per cent compared with the SwFr 1.2bn in fresh funds on applies to domestic issues. The by an ever-present trend coupon of about 54 per cent on the capital market during the outcome is likely to be a tax at by an ever-present trend coupon of about 51 per cent on towards higher interest rates. a bond issue by a top-rated domestic borrower such as a major bank or industrial company.

> Nonetheless, total offtake on the domestic bond market did rise slightly last year to SwFr 9.69bn from SwFt 9.07bn while the amount of new money virtually unchanged at SwFt 4.6bn. With the rise in interest

rates there has, however, been a shift away from the practice of domestic borrowers to prepay loans and refinance them at low rates. The calendar for the first half of this year allows for a total offtake some SwFr 5.51bn of which no less than SwFr 4.4bn is new money. A large part of the new off-

current quarter. This reflects the problems they have had finding other sources of long term money in a situation where investors have tended to opt for the more lucrative short term instruments.

This surge in demand for funds by the banks has not been welcomed by investors who feel saturated with bank paper. It has been one factor driving up bond yields, although the root of the problem remains the imbalance in the interest rate structure. Until this is corrected it would appear that bond market yields could face further upward presure, although much depends on whether the decline in short term U.S. dollar rates will spill over on to the Swiss

nterest rate structure. If the volume of new money raised on the domestic market has been increasing this year, exactly the opposite holds true private placements.

last year, capital exports rose again to total SwFr27.7bn compared with SwFt 21.89bn in 1978. Of this som eSwFr 5.2bn (compared with SwFr 4.4bn) was accounted for by public bond issues by foreigners, SwFr 10.34bn (SwFr 8.97bn) was accounted for by private placements and SwFr 12.15bn (SwFr 8.46bn) took the form of banking credits abroad.

This increase was heavily influenced by large sovereign issues by the U.S. in the form Canada and Australia early in the year. Bankers in Zurich say they now recognise that these operations strained the market too far and they are not likely

to be repeated.

Indeed, with the steady deterioration in the Swiss balance of payments position there is much less pressure than before on the banks to push capital exports. Also market conditions recently have made it difficult to organise new borrowing operations for

Suspension

The steady rise in coupons reached such proportions in March that the banks decided in co-operation with National Bank to suspend all new issuing activity on the public foreign bonds market for several weeks. The issue of private placements slowed to a trickle and at the same time the banks were asked to restrict the amount of each public issue to SwFr 80m and each private placement to

All this means that the volume of capital exports this year should turn out much lower than last, despite the fact that Swiss banks now have a queue of foreign horrowers seeking to profit from the unusual combination of a weak currency and interest rates that are still lower than in other financial centres.

Looking ahead to the next few years, however, reveals a different potential problem on the horizon. This is the large number of private placements falling due in the early 1980s. At UBS, for example, these are due to triple in volume between 1981 and 1982. Offsetting the repayments with new capital exports will require considerable efforts.

Particularly in view of this,

the banks are already deeply concerned about reports that the Government wishes to im-pose a withholding tax on the interest payments on foreign bond issues and notes. These bonds and notes have until now been tax free, a situation which has been described by the country's new Social Democrat Finance Minister Mr. Willi Ritschard as "immoral." Yet the bankers fear that

mpering such a tax would kill

a symbolic, nominal level of 5 per cent.

The Swiss stock market, mean while, enjoyed a record year for turnover last year. On the Zurich exchange it rose to SWFr 115.6bn from SwFr 99.2bn in 1978. Part of this increase was no doubt due to the lifting of the non-resident investment

ban on January 25, 1979. The following day, trading lasted no less than five hours as activity reached levels not seen for many years. Initially prices rose sharply but the new found freedom for foreigners to invest in Swiss securities did not result in a sustained rise in equity prices.

Foreign pressure

By October, when the franc was weakening on the foreign exchanges, selling pressure emerged from abroad. The Swiss index thus finished the year at 332.0, only 7.8 per cent higher than at the end of 1978.

In fact bankers in Zurich continue to express some dis-appointment over the failure of the lifting of the investment ban to have any really marked effect on the stock exchange. With the currency still weak and yields on equities now much lower than those on bonds, the outlook for the stock market at present is rather dull and turnover may not necessarily match

last year's record. There were a number of innovations to report in the Swiss capital and money markets over the past year.

Swiss Government switched in January to an auction process for the sale of its now bond issues. Under the scheme investors were invited to state the issue price at which they were willing to subscribe to new bonds. The Government then established a cut-off price at wh cohcitules ll x TAOINN

at which it could sell all the bonds on offer to the public.

This more flexible system avoided the problem of prepricing, an issue which had often led to tensions between the issuing banks and the National Park is at a selection of the led to the selection of the led to the National Bank in the past.

Elsewhere, the fluctuation in interest rates saw the introduction to the capital market of floating rate bond issues. Credit Suisse launched at SwFT 100m 11-year bond in January with interest tied to the one year time deposit rate. More recently a SwFr 80m issued managed by Sodific for the European Invest ment Bank had a floating rate element tied to the rate on first mortgages in Switzerland which somewhat less volatile than the deposit rate.

Meanwhile, the Swiss oGvernment began issuing money market paper in July last year. Under the new National Bank law, the central bank is also now entitled to take such a step in its own name, but the money market is still very much in a fledgling stage and the day when it wil become a well-used source of funds for all categories of borrower is still a long way off.

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Currency's strength aids investment abroad

THE SWISS economy has ments' incentives to foreign the Third World. Swiss pro-countries like the neighbouring always had to depende to a con-investors are concerned, Swiss ducts typically land on the Federal Republic. Production siderable extent on foreign cus-The highly industrialised and very prosperous domestic market is a good one, but only small. For many industrial and not a few service undertakings, Switzerland itself, with its 6modd population, account for only a relatively modest share of total business. Big business --and often quite small-scale business — tends to be multi-national, even though the term itself is no more popular among the Swiss than anywhere else.

An indication of the extent to which Switzerland relies on world markets is given by official estimates showing that this year exports of goods and services. of around SwFr 58.44bn (\$33bn) should be equal to something like 35 per cent of gross domes-tic product. This gives only part o fthe picture, however, since no figures are available for the substantial activity of operating subsidiaries in other countries. A sum put at about SwFr 11bn will flow Switzerland in 1980 in the form of "capital and operational income," but this also represents only an element in actual foreign business in that no major share of earnings is currently being repairizted.

Forefront

Direct investments, both in ield projects and in the orm of corporate acquisitions, are not the subject of statististudies in Switzerland. Nevertheless, figures published in other countries show Swiss business to be in het forefront. Department of Industry statements clai mthat Switzerland was probably the second biggest net direct investor in UK industry (excluding oil, banking and insurance) as of the end of 1977, while a year later it was the fifth biggest foreign direct investor in the U.S.

There are several urgent easons for Switzerland to continge its high rate of expansion abroad. The most obvious of these lies in the latter-day strength of the Swis franc. This made it increasingly difficult for companies to keep up their exports to traditional markets — at least, at anything like economic rates. At the same time, it has made takeovers and construction work in foreign countries considerably most cases, ev despite the inflation gap.

Swiss companies often prothat new investments ad are not made in the light of short-term monetary considerations. The fact is, of course, that the hardening of the Swiss currency and the softening of such others as sterling or the dollar have been long-term developments which are hardly likely to be reversed over a year or so. Also, there do seem to have been cases particularly in America — where acquisitions have been made because of the favourable exchange rate of the day and which probably would otherwise not have been seriously

As far as foreign Govern-

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RESERVATIONS (02/2037)

companies have tended to regard these as of secondary importance. This means that they are not considered enough offset any basic locational disadvantages. But the Swiss are known as sharp reckoners. ments—plus a genuinely TA and a set of attractive inducements—plus a genuinely welcoming attitude — can tip the balance in favour of a given region or country. This was the case in 1978 when the Hoffman-La Roche group chose Dalry in Ayrshire among a number of possible sites for a world-scale vitamen C plant after the British Government had offered initial aid of £46m and the local authorities also

proved very helpful. Proximity to major customers has also been a decisive factor in the building-up of Swiss facilities abroad. This has been much the case with banking and insurance interests over the years, but also industry, as manufacturing spurred by the foreign-exchange has found increasingly desirable produce on the spot.

The U.S. market has proved the big magnet here, though so have the UK and other European countries as a supply centre for the EEC region oras is happening increasingly in the watch industry countries like Hong Kong or Singapore to serve the South-East Esian

There have also been cases "compulsory" investment. investment, where Governments like those of Brazil or India have brought pressure to bear for the estabishment of local factories. Only few companies are like Nestlé in having a chain of subsidiaries and affliates virtually throughout markets industrialised countries rather than elsewhere.

Even if there were to be a change in markets and currency rates, Swiss companies would hardly be able to slow down their foreign investments much if they wanted to keep growing. Domestic Swiss demand is expanding, and will continue to expand, only very gradually, not least in the light of an almost non-existent growth in population. At the same time, imports are rising fast.

Reaching the limit

Furthermore, Switzerland is reaching it slimits of industrialisation, a fact which both hinders domestic investments and puts a ceiling on local capital-goods demand. Land for industrial and commercial use is becoming scarce and is already very expensive. The environmental lobby and a generally more conscious public object to the it creation of new industrial capacities and are increasingly making themselves felt.

In any case, Switzerland is suffering from an extreme lack of manpower-published situations vacant, only a fraction the actual number of unoccupied workplaces, are about double the unemployment figure—and simply could not find the labour for many new projects, particularly with foreign-worker regulations as strict as they have been for the

past few years. In its turn, the manpower shortage in combination with some of the highest pay rates in the world has meant that wage costs are considerable, even if Switzerland has noticeably smaller fringe benefits than

abroad comes cheaper from this point of view, too.

This does not mean that Switzerland sees itself as a dying industrial power. Gross National Product is still growing, blacit slowly, as is indus-trial output. Domestic invest-ments are rising even faster, by an estimated 5.8 per cent in real terms last year and anticipated 4.4 per cent 1980. The enormous reservoir of skilled staff and knowhow Switzerland will continue to be built upon and made to pay.

The approach, however, can no longer be one of simple industrial expansion; far more companies are increasing their already considerable technological depth. If the number of persons working in industry and the crafts has declined 1.26m in 1960 to 1.17m in 1978, this is because there has been a tremendous improvement in productivity and industrial up-grading.

Today there are a good many products which it is simply no making in longer worth Switzerland. These play only a certain role in the spreading of Swiss-owned operations abroad though. Most new plants being built or taken over work with definitely Swiss-style production programmes items with high added-value components. Components are keen on broadening their exist ing range and entering worth while diversification sectors ntich of which can be achieved only outside Switzerland itself.

There is certainly no likelihood of Swiss industry and going into foreign mass-production business — or buying wildly at low prices to form old-type con-

John Wicks

Number of foreigners falling steadily

Tensions

in the early 70s.

No one wants to see a repeat

of that story and the best way

of avoiding it is seen as a com-

bination of efforts to improve

the security of foreigners in the

country and continuing to exercise some right of control

Certainly the basic starting

point of all discussion in

Switzerland of the foreigners

question remains the events of

1974/5. It is surprising to see

Last February, a new and

port by the Federal Consulta-

intend to remain there in the

citing a study by the Zurich

Sociology Institute which shows

that only 6 per cent of the

Italian workforce originally

came to Switzerland with the

intention of taking up long-term

first place, the report suggests,

Commission on

over new arrivals.

crops up, even today.

their own free will.

residence

THE NUMBERS of foreigners living in Switzerland fell again last year to a total of 883,837 compared with 898,062 in 1978. This was an extension of the steady decline that has taken since the recession year of 1974 when the foreign popula-tion totalled just over 1m persons.

Even so foreigners still account for some 14 per cent of the population not counting the ranks of the temporary seasonal workers and employees of international organisations such as the UN agencies in Geneva. Seasonal workers, for example, numbered only 8,132 last December compared with 8,893 a year earlier, but at the peak in

August the total was over 96,000. Adding in these numbers swells still further the share of foreigners in the total population. In a small country with a high degree of n ational consciousness such as Switzerland they are extremely conspicuous. It is therefore hardly surprising that the issue of foreigners has remained a highly charged political question.

Some of the venom has, nonetheless, gone out of the issue with the decline in numbers involved. That this is so is shown by the poor showing of the antiforeigner parties in last year's general elections. But the Swiss have been involved over the past year with an (as yet unheld) referendum on the subject of the integration of the foreign population into Swiss society as well as with official revision of their own aliens' law.

In the event of a recession it would be harder than at present to bring about a reduction in the foreign workforce.

As a counterweight to the

Counterweight

referendum proposals suggested a Government revision of the aliens' law. This is, by Swiss standards, a great step forward in liberality, but it is much more tempered than the referendum proposals. For example, a foreigner would be able to claim permanent resident rights after five years in the country instead of 10 years as in most cases at present. He would be allowed to bring his family into the country after 12 months instead of 15 months at present. At the same time some of the present restrictions on political activity by foreigners would be lifted.

This more cautious approach probably reflects electoral wishes much better than that of the referendum. The important The referendum proposal, which was originally launched by the Catholic Employees Movement, has, in fact little chance of passing a national vote. Some of the original sponsors have themselves begun to have doubts. The proposal has been opposed by the Government and goes by Swiss standards a very long way in demanding new rights for What-happened according to

immigrant labour. For example the commission was that the recession unleashed considerit would mean that within five years of being passed, the Government would have to able uncertainty among the population. foreign workers, who had previously put rescind the present law requiring temporary seasonal workers off their return home, decided to return home for a certain to leave although there was no immediate pressure on them to period each year. At the same do so fro mthe Swiss side. time all foreign workers, including the seasonal ones, These departures were then

would be allowed to bring their simply not offset by new families into the country freely arrivals. In the decisive years from the moment of their own of 1975 and 1976 only 46,000 and 45.000 new residence per mits were awarded compared with a figure as high as 118,000 during the "boom year" of 1968. This would have the consequence of increasing sharply The argument tends to bee the number of foreigners resident in Switzerland, which in turn could unleash once more

the question of why the recesunleashed so much uncertainty among the foreign population. In part this was the very same political tensions due to the very limited legal as were seen when the foreign rights of foreigners living in the country, but in part also it reflects a massive failure of the integration process. This is something which the Swiss have never really attempted to population was at its greatest Another aspect, that is perhaps still too radical for the Swiss, is that the proposal cope with.

would permit foreign workers a free choice of employment. The Federal Government for example, rejects all sense of responsibility for the social integration of the foreigner into many sectors which are heavily dependent on seasonal labour such as the hotel and catering the Swiss community. It says it cannot simply decree that this should happen. The responsi-bility lies instead with indi-Meanwhile it would also mean that foreigners had an autovidual Swiss and foreigners in their homes and at their places matic right to request extension of their residence permits from of work. the moment of entry into the

This is probably a fair point on the part of the Government, country. This, naturally, would reduce the employment security of the native population. point is that people still remembut no one who has lived in Switzerland can be blamed for doubting whether the Swiss in the street can really live up to this responsibility. ber, often with some sense of shame, the way in which foreigners left the country during and following the 1974/5

Nationhood

Such an assertion is not intended to be disparaging. It simply acknowledges the fact, which is fundamental to any consideration of the foreigners' problem, that the Swiss have. for historical and economic reasons, a much more highly developed sense of nationbood than most other people. They come from a wide range

of cultural and linguistic backgrounds, they live in a country how frequently the subject where communications are difficult, even today, and which is not blessed with an abundance somewhat controversial apologia of natural resources. The appeared in the form of a recountry's success in achieving one of the highest living standards in the world comes only Foreigners' Problem. This from a tremendous, concerted attempted to show that what effort on the part of all its people.

happened was not so much that foreigners were forced to leave It is natural that they the country, but rather that should guard this achievement large numbers of them left of jealously. Switzerland is like club made by the Swiss for Many of those who had found the Swiss. jobs in Switzerland did not

Outsiders, and this applies to foreign executives just as much as street sweepers, are welcome participate as associate members, but joining the club is another story altogether. Whatever else happens to Swiss aliens policy, this is a fact that

will not change. Peter Montagnon

Basie-Chemistry, But Not Only Chemistry

asle is generally considered The Town of Chemistry - and thus an industrial town par excellence. Even in a strictly economic sense this applies only to a certain extent, however. If we think of Basle as a polis - a political and social entity - it

is still clear, even today, that the town owes its existence to an advantageous position at the intersection of several different cultures. Traffic, along with commerce, banking and insurance, as well as a rich cultural life fostered by the university all these, quite as much as industry, have helped to shape the face of Basle.

Chemistry is not the only industry in Basle, of course. Beside the graphic-arts trade, the main branches are textiles, metallurgy, machinery, and precision instruments as well as foodstuffs. Yet, they all come a long way behind the chemical industry in importance, so it is quite natural to ask why so great a concentration of chemistry should have come about in Basle.

It began with dyestuffs for fabrics. The many different textile mills in and around the town doubtless had a decisive influence here. Textiles and chemistry are linked by textile finishing, which formerly was done mainly in the dyehouse. Since it required a great deal of water, dyeworks were set up along the banks of the Rhine, the Wiese and St. Alban's Pond where paper-mills were already established. The origins of the Basle chemical industry can

be traced back to these users of dyes. That from these modest beginnings there should have grown. four companies operating on a world-wide scale with a manufacturing programme extending far beyond the original range is the result of human determination, systematic exploration of the many possibilities offered by chemistry, and their exploitation through scientific research.

The four big Basle chemical companies - Ciba-Geigy, Hoffmann-La Roche, Lonza and Sandoz grew from local manufacturing and trading firms

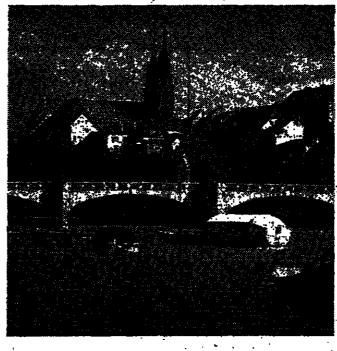
into large international groups. Their growth paralleled the expansion of their production programmes and their entry into one new area of research after another. Impediments to international trade originally induced them to set up production facilities in markets outside Switzerland. Both the increase in business volume and the growing complexity of international relations have inevitably led to a high degree of autonomy for individual affiliates abroad, a development reinforced by the need to deploy research activities on an international scale.

A concentration of chemical industries like that in Basle suggests dark factories and polluted air. But visitors are surprised to find a well-kept city, rich in historical sites and in the midst of a green setting. The surprisingly high quality of life is due to the care which the people of Basle - and the chemical industry - take of their native environment. This has made it possible to hold the national exhibition of gardening and landscaping, the Green 80,

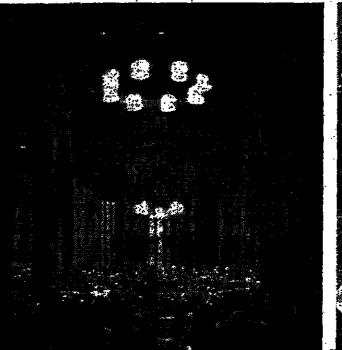
on the outskirts of the town. Basle is therefore expecting more foreign visitors than ever in 1980 and will take great pleasure in welcoming them with traditional Basle warmth.

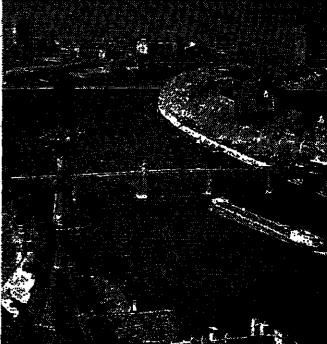
The most prominent visitor of the year will arrive in late spring: Her Majesty Queen Elizabeth II. Basle is pleased and honoured by this visit.

> Ciba-Geigy Lonza Roche Sandoz









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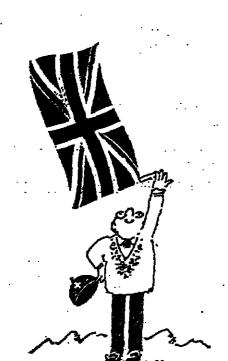


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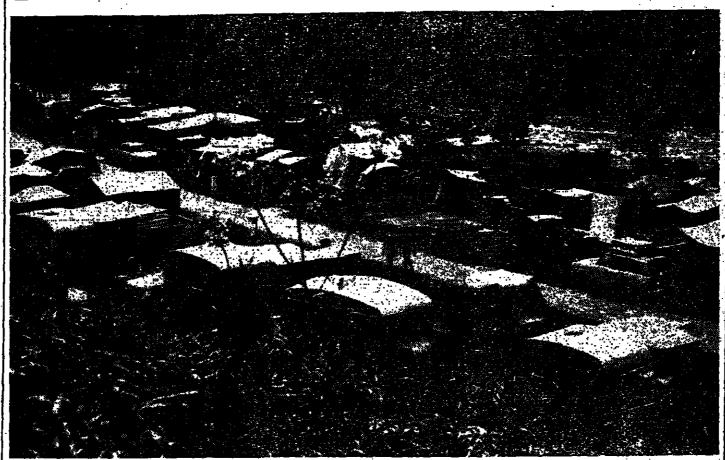
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SWITZERLAND



Campers on the bank of the River Sarine at Chateau d'Oex in the Vaudois Alps

Tourism Board fights to allay fear of high prices

have gone down so well with the Swiss tht despite a strong currency more people are stay-ing in their own country for their holidays.

In fact 55 per cent of holidaymakers in Switzerland were the Swiss themselves and hoteliers

spend your holidays in Swie-backed by attractive conces-zerland "—this slogan seems to sions for entire families to keep the Swiss away from foreign

> the expensive comfort they get in Switzerland's holiday hotels. Many foreigners, it seems. Swiss keenness to bolster the would rather have lesser tourism business is underquality for less money. As a standable. Tourism is the result hoteliers have obeyed a country's fourth largest inself-imposed price freeze since dustry, after machinery, 1974. But the increase in Swiss holidaymakers since 1978 comcommission and revenues on capital. It provides about 8 per bined with a slightly weaker cent of the gross national franc have led to moves within product and has an annual the industry to end the price

enough to reverse a slump in the number of tourists from The campaign was helped by Germany. They now head the significantly higher inflation list of foreign tourists and abroad. Attention will now be account for almost 20 per cent focussed on getting more including 37m Swiss. This total of all overnight stays in Switzerland. Holland is second with argument, "why go to Italy or that of 1978 mainly because of a 4.9 per cent of total overnights. Spain with their ski-high inflafollowed by France with 3.6 tion when Switzerland offers late to be of use to holidayper cent. Britain is fifth with basically unchanged prices and 2.2 per cent of the total, behind value for money."

The 11st with 25 per cent. the U.S. with 2.5 per cent.

Heavy toll

The slogans that appear to have had the least impact are the ones used in the U.S. Prospective U.S. visitors are told that "Switzerland works," and "Switzerland—its worth if," but the fall in the dollar's exchange rate against the franc seems to have taken its heavy

Although the dollar has re-cently bounced back against the franc. the image of Switzerland as a cripplingly expensive coun-try has become so well entrenched that it will be some time before the U.S. again be-comes a focal point for Swiss tourism promotion authorities.

haul. A new marketing and group that came from Hong-

GO ABROAD to travel but have created special facilities sales promotion department time in the coming weeks to entice visitors, mainly from western Europe, to Switzerland. It will also persuade certain After all, who but the It will also persuade certain wealthy Swiss can appreciate backward areas in the country to provide more facilities and

warmer welcomes to visitors. machinery,

turnover of about SwFr 10bn. Because of the reluctance of The other slogan which has foreigners to come to Switzerdone wonders tells Germans, land, tourism development "come to Switzerland, be our authorities have concentrated guest." It has been effective in recent years on persuading the Swiss to stay at home.

abroad. Attention will now be

The fact that the Swiss are tending to stay at home will be used to tell foreigners, "the quality of what we offer cannot be bad if the Swiss spend holidays here."

The tourism industry will follow the example of other Swiss industries in turning more towards West Germany and Europe for expansion rather than towards the Uhnited States. The U.S. is judged to be a more difficult market to exploit because of the expensive image of wiStzerland. One avenue the National Tourism Board would like to develop is to attract special interest groups to visit Switzerland.
In addition to the usual hikers

and mountaineers, such groups have in the past included train To undo the damage done to Swiss tourism before 1977 when the franch reached its peak, Switzerland's National Tourism Board is going through an over-

led to a multi-million franc contract to build a tramway net-work in Holland modelled on Zurich's system.

Another set of visitors from Britain came especially to study stones in Swiss graveyards, bringing new consciousness of their cultural heritage to mountainfolk in remote central Swiss valleys and the prealpine

The targets set so far are to score at least 3m overnight stays by the U.S., Canada and South America compared with about 2.3m last year, and to get about 14m says by tourists from Germany compared with 13m last year.

Poor winter

The total number of overnight stays in Swiss hotels and chalets January.

Prospects for 1980 are rated bright because the winter season was profitable and augers well for the rest of the year, particularly in view of the weaker franc.

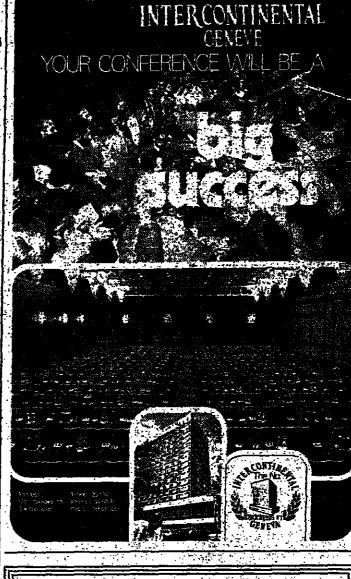
More overnight stays by foreigners from all countries were registered during the first two months of this year. Stays by Germans rose by 23 per cent compared with an 8.9 per cent increase in stays by Americans. The tital increase in stays was 14,5 per cent, including a 17 per cent increase in stays by foreigners and a 12 per cent in crease in stays by the Swiss.

These figures are still about one per cent helow the 1978 level. But there is a good chance that this level will be surpassed before the year is over. Business during March and April has added to the genral optimism.

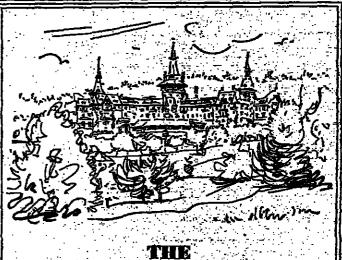
Biri Khindaria



Skiers set off from Gornergrat, near Zermatt, in the shadow of the Matterhorn

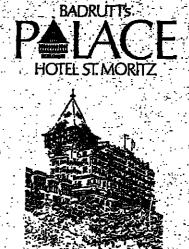


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SWITZERLAND IX



Ethnic groups review their cultural heritage

建物的有种的 化基础的 化

"SWITZERLAND IS not a fore-gone conclusion." Given the country's proverbial political stability and its fierceley independent stand on international seves, this recent remark by writer Ulrich Kagi may seem a strange one. It is none the less strictly true. The Swiss Confederation is an accretion of highly individualistic mini-states with few natural frontiers to the outside world, with no ingle unifying Church or ideology and-most important of – with four national languages. Its federal constitution is in a state of permanent first, and the institution of direct, rather than Parliamentary, democracy obviates mono-Government. happens in and to Switzerland is not self-evident.

Till

Kagi's axiom is also sympoto-natic of a more critical attitude on the part of the Swiss towards national structures. Significantly, it comes from a series of essays by various authors published by the Nouvelle Société Relvetique under the general title of "The Swiss Between Vexation and Hope." Now that witzerland has largely left behind the hedgehog mentality so natural to it in the troubled first half of this century and is leaving behind the self-satisfaction tred by the subsequent eco-tomic boom, it is taking a much doser look at itself.

sened, the internal ethnic early this century—and Fri-question has come to assume a bourg is now seeing a growth this is less a matter of ethnic differences than one of German has been gaining innguages. There are various ground at the expense of thinic strains within a given biguistic group, whereby a plance in the Lausanne telegraphic growth in northern, and contral Switzer. phone book shows how many easter former "alémaniflues" have land. purned in good "romands." In

Boundaries

per cent of Swiss were German peakers, 20.1 per cent francohone and 4 per cent of Italian mother tongue, with a tiny minority of 0.4 per cent speaking Romansh, a Romance language used in parts of the Grisons. Languages are not secessarily separated by cantecessarily separated by can-Jura." The separatists, who boal boundaries; Valais, Frifinally came into their own at bourg and Berne are all the beginning of last year, had

The language frontiers are not immutable. The cities of Fribourg and Bienne, for example, experienced a massive With outside pressures les- influx of French speakers from particular importance. In fact, in its German-Smiss minority again. Generally speaking eastern and central Switzer-

In recent years resentment has again been growing on the part of the French-speaking At the last count some 74.5 minority. This found its most drawn-out battle by part of the froncophone population of Canton Berne for secession from the mainly German-speaking and Protestant canton and the establishment of the "République et canton du

home of both French and Ger-felt they were insufficiently Berne and for the Federal man speakers, while the Grisons represented and understood in capital to be made more attractistic-lingual German/Romansh/ Berne and feared a loss of their tive to non-German-speakers by Now that the new canton has Italian schools.

been set up, the fight for a enough, "Free Jura" goes on-much to Switzerland disapprove strongly the dismay in particular of the of teaching in other national parts of the country who had survey showed—to the amaze voted in support of secession ment of many Swiss-the man in the hope the violence would and woman in the street are come to an end. Today, the not particularly polyglot. attempts by the erstwhile neighbouring South Jura to follow their example are much frontation, the opponents now ties of the old canton.

Despite this, a recent out-

break of violence in the southern Jura village of Cortébert has led to new ill-feeling between Switzerland's two major language groups. the Rassemblement March Jurassien, the separatist organisation instrumental in forming the new canton in the north, held a provocative meeting in the Bernese commune of Cortétonal police turned a blind eye. While most Swiss call down a plague on the houses of both the belligerent parties, German speakers look with most disfavour at the battery of arms the separatists had brought with them and francophones are outraged at the obvious partisan behaviour of the

The creation of the small canton of Jura has given rise to another political argument which could cause contention between German and French language groups. If an area the size of the Northern Jura (and only part of this) is to become a full canton—with two States Councillors in the Federal Parliament—why, local politicians have asked, should there not be an upgrading of Switzerland's existing semicantons?

Control

This applies particularly to Urban and Rural Basle (which, ironically, split up in the last century), both of whom with large populations. If these were to gain full cantonal rights, doubtless the other semi-cantons (Obwalden, Nidwalden, Appenzell-Ausserrhoden and Appenzell-Innerrhoden) would want to join in, regardless of their. much smaller size. All of these are, of course ,in German-speaking areas, so the States Council would be more subject than ever to "alemanique" control.

While it looks as though the semi-canton horse will prove, a non-starter; there is already not a little concern on the part of linguistic minorities at what is felt to be excessive use of German in Government. Between 90 and 95 per cent of all administration documents are said to be produced in German, not least because of the high percentage of Bernese working in the Ministries. There are frequent calls for greater original use (not just translation) of French and Italian in instance with the **MONTREUX** BERNESE **OBERLAND** RAILWAY

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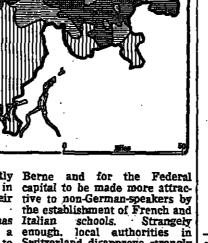
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In Parliament there is gener separatists to convince the ally a very fair division between the language groups. The American-style division of seats less of a French-German con- in the National and States Councils sees to this in the case being the pro-Berne franco of elected politicans, while the phones rather than the authoriseven-man Cabinet—the Federal Council, voted in by the two Houses of Parliament - traditionally contain two francophones and occasionally a Ticinese or Grison.

Delighted

This year's President, Georges-André Chevallas, is a Romand, while the new Federal Councillor Leon Schlumpf dewhile lighted his audience by saying a few words in Romansh on his bert—and was subjected to a election last winter. Resent-hefty attack by pro-Berne ments do exist, however, which locals while the Bernese can-are not always fre of ethnic considerations; Foreign Mini ster Pierre Aubert, for example, is definitely less popular with the German-speaking population (including Parliamentarians) than in the Romandie.

Apart com all political fac-tors, the success of the Swiss Germans in business does not add to their popularity else-where. Industry and commerce in French-speaking Switzerland and the Ticino is pretty well in the hands of German-speaking interests, a fact which particularly riles the Romands. They and the Ticinese are all too aware of the patronising assertion that the "Latins" enjoy life more by being less pushing -and by implication less able. Swiss standards in any language view charm and wine as being incidental rather than central to existence.
An interesting case in point

arose last month with the engineering company Ateliers de Construction Mécaniques de Vevey. A Zurich-based shareholder announced that he was intending to sell his stake. Since there was no interest in a purchase in the Suizze Romande, he made it clear he was prepared to sell the shares in German-speaking Switzerland, one possible buyer being the ex-Bally proprietor Werner Rev. There was such consternation an old-established-and highly successful-Vaudois company joining the long list of those controlled by Swiss-German interests that a Lausanne bank consortium decided to make an offer.

The problems between the language groups therefore exist and are not exactly dwindling. But a real crisis, as in Beigium or Canada; is hardly pending, even though further unpleasant-ness in the Jura will not do the French-German relationship much good. To quote another author, George Mikes, Switzer-land keeps together by surface-tension. There is no fear of Geneval works! dos Expositions of des Congrés, one of the world's best designed Exhibition Configence Centers, will be opening for business Working for you, too, a team or experts to help you out the hoste and hassle of planning. And Geneva, itself? The world's most international oily. Where conference and exhibition organisers can be sure that everything will go tike GRGEXPO, Frediction for the Promotion and Organization of Excitation and Conferences + 18, but a Binest/Ansermet + Post Box 65



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Watch industry pushes for a share of electronics market

FOR YEARS now Switzerland's land itself. Of the approximately most famous industry, has been 82m pieces made by these condogged by crisis conditions, cerns in 1979, almost 30m were Watchmakers were faced at the same time with a technological. revolution, a startling rise in biggest single market for Swiss the Swiss franc exchange rate watch exports). Singapore or and the emergence of new Taiwan, the industry is able to world competitors. The industry has not gone out of business, markets which would otherwise however, as some pessimists be closed to it. Thus, the 17 per were forecasting a few years ago, and indeed still leads the last year and the 5 per cent international export market in watches and watch movements. But a radical restructuring of is not wholly indicative of the production programmes and of individual companies has been necessary and further—likely often to be painful—changes are

At first glance, the retrenchment of the Swiss watch industry over the past years looks like a sad decline. The number of production units dropped from 1,278 in the mid-sixties to well under 900 by the late seventies. In the past five years alone, the industry's labour force has shrunk from 66,000 to substantially below 50,000. Last year production in Swiss factories had dropped to its lowest level since 1964, at east according to combined figures for the watch and jewellery sectors. Exports were in absolute values 12 per cent behind those recorded five years

This overall picture is misleading, however. It fails to show the shift, particularly marked in the past two or three years, towards higher technology products. This applies specifically to electronic watches and components. The Swiss are rather late in clambering on this bandwagon, partly because of their great success in the past traditional mechanical watches, partly because of the lack of a major electronics industry in Switzerland comparable with those of the U.S. or Japan. After an initial period of scepticism—older industry executives first viewed electronic watches more as a gimmick for American department store business than as a serious line of time-pieces—the penny dropped and the swing to the new began.

Last year the industry's R and D budget of an estimated SwFr 120m (\$68.6m) went largely towards developments in the electronics sphere. The enormous effort which has already gone into this sector has meant that in the past three years—comparing exports for cent. These newcomers account today for over a quarter of all Swiss watch exports.

notionalisation

While this has meant a massive inection of capital into manufacturing companies, it has contributed also to a consider-able rationalisation of production. At the same time there has participating in the watch been much progress in milling, needed money with them: machining and assembly methods in the mechanical sector, leading to a doubling of

The undetailed statistics for the industry also conceal the made abroad. By using countries like Hong Kong (itself the tackle Japanese competition in last year and the 5 per cent. decline in exports ex-Switzerland to SwFr 3.26bn (\$1.86bn) fate of the industry.

whole. The latest industrial prospects survey, published this month by Union Bank of Switzerland, speaks of "rather more confidence" on the part of the watch industry. Although total order book volume rolume remains low, new orders showed a remarkable annual increase of 13.2 per cent for the third and 43.3 per cent for the fourth quarter of last year. By the final quarter the industry was report-ing a modest 2.4 per cent rise in turnover compared with the corresponding 1978 period. And there was at least a slowdown in the second half of last year in the rate of decline in pro-

Bright future

All this is not attributable wholly to the burgeoning electronics sector. The industry is far from writing off the mecha-nical watch, still by far the most important product, and is convinced that a balance will be reached between these products and the electronic models. Mechanical watches, particularly in the higher price categories, were much in evidence at the European Watch, Clock and Jewellery Fair in Basle this month. If the export of anchor watches continues to fall, this is because of a sharp rise in the export of anchor movements. High-quality mechanical products at premium prices seem assured of a bright future. The same can hardly be said

for the cheaper pin-lever, or "Roskopf," watches. Exports of these were down, in early 1980, both in volume and value, by some 60 per cent on the level two years before. Spokesmen of this once very important branch of the industry, the value of whose exports now accounts for only 4.3 per cent of the cal and electronic watches and -have expressed the opinion movements rose by over 120 per that Roskopf production will soon find its level. As yet this is showing few signs of happen-

The move of the Swiss watch industry into new and more capital-intensive operations has had two main results. First, there has been a need for large financing programmes to fund the new developments. This has led to outside companies Examples are the stake of

the Siber-Hegner trading house in Société Suisse pour l'Industrie Horlogère (SSIH) the makers of Omega and Tissot watches, or that of Desco in

For this year Swiss operations look rather better on the



The same considerations have had the effect of bringing the traditionally highly independent companies together for such self-help programmes as that for the development of new electronic watch components. To cost SwFr 45m (\$25.71m) over a four-year period and be sup-

ported by Government funds to the tune of one-third of this sum, this is borne by the component manufacturers Asuag, SSIH, Brown Boveri, Portescap and Faselec and is open to any other undertakings which might subsequently want to join in.

The other main result has been to narrow the base of Swiss watch production. The small man, hitherto the backbone of the industry, is finding it increasingly hard to get along at a time of growing standardi technological The major manufacchange. turers, too, are hardly likely to be looking for new manpower. A further loss of 5,000 jobs or so is seen as probable. Although only 0.3 per cent

of the country's labour force are unemployed, with the number of vacancies far exceed-ing the jobless total, this poses a problem. The watchmaking industry is highly concentrated in the valleys of the Jura, where there are few other jobs available. The Federation of Swiss January/February 1980 with overall total—though the share Watchmakers, together with those for the corresponding in volume is of 22.7 per cent, industrialist Luc Tissot, have period of 1977—sales of electri- so great is the price difference been publicising possibilities in been publicising possibilities in the so-called " region horlogere" - an exhaustive report and guide was published only this month - while cantonal and municipal authorities are also valleys less of a monoculture.

The same process is taking within groups. Something like 6 per cent of industry turnover is fied (i.e., non-watch) operations, it was stated last year. This percentage seems certain to grow substantially in the near future. The bigegst single watch and watch-component concern Asuag, is already looking forward to a share of about 20 per cent from such activities in



Swiss watch makers at work



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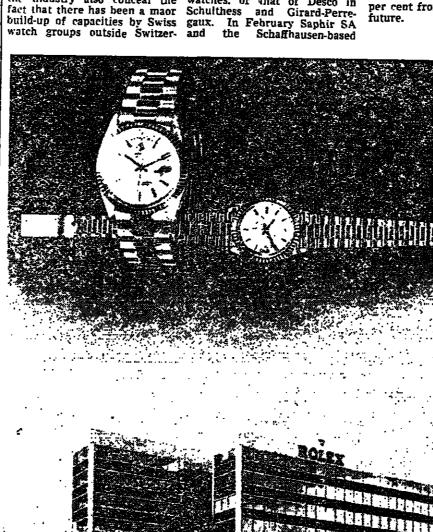
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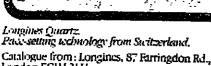
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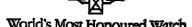
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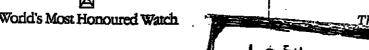
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SWITZERLAND XI



The Government has to tread carefully because of a strong anti-nuclear lobby. Here, demonstrators make their feelings known at Olten, near the Gosgen-Daniken plant

Government seeking sharp cut in energy consumption

with apprhension at their hydro-electric power accounting country's future energy needs and the governing Federal council is said to have an urgent nation-wide decree "waiting in a drawer" if emergency measures to reduce energy waste are felt to be energy consumption tax of 6 ner cent would be levied to cut

Swiss energy needs published early last year estimates that severe energy shortages may arise in about 10 years' time if energy consumption is not reduced sharply and steadily. It has been estimated that,

with appropriate conservation measures, Switzerland can reduce its energy needs by at least 8 per cent or as much as 25 per cent by the year 2000 cutting back on

impstrial activity. The commission forecasts a 25 per cent annual increase in energy consumption if no steps terra-calories by the year 2000 bringing in its wage 70 per cent increase 1984. In oil imports. This would mean The dependence of foreign energy tricity Works estimates that half

S AUTHORITIES look sources of 87.5 per cent, with the total primary energy output Basle, and the other at Graben, apprhension at their hydro-electric power accounting is lost en route from the source in the Berne region. The open

per cent would be levied to cut in seeking new solutions to An influential Government back the share of oil in total commission which is currently energy use to 48 per cent by revising a keynote study on the year 2000.

Shares of other energy sources would be 13.2 per cent (1975: 3 per cent) for nuclear energy: 13.3 per cent (3.4 per cent) for natural gas: 12.3 per cent) for cent (13.4 per cent) for hydroelectric power, 4.8 per cent (nil) for new forms of energy: 42 per cent (1.5 per cent) for coal and 4.2 per cent (2.1 per cent) for wood, refuse, industrial wastes etc.

Still talking

The Government is still debating the main outlines of an are taken to reduce energy energy policy for the rest of usage. Total energy demand this century and new legislament then reach 270,000 tion is unlikely before 1982, with the necessary regulations being implemented in 1983 or

The Association of Swiss Elec-

to the user. Industry, particularly the construction sector, is increasingly turning to energy conservation problems and is investing in more efficient uses of energy. Swiss engineering companies have joined builders

wastage problems through improved measurement and control instruments and innovative application of heat pump technology. A programme to promote lowenergy housing sponsored by needed. Swiss banks does not seem to

insulation. Methods used include

The State is co-operating with private companies to promote research and development in the energy conservation field to develop new processes and hardware. In one of the schemes suggested by the Government's Energy Commission energy saved could account for 8 per cent of the country's total needs in the year 2000.

more nuclear energy plants to increase the share of such energy to 13:3 per cent by the year 2000, compared with 3.4 per cent in 1975, are still being sharply opposed by environ-mental groups. However, a referendum last year rejected an initiative to cut back nuclear construction while another gave Parliament the final authority to take decisions instead of local authorities. As a result, nuclear energy remains a major plank of energy policy. Occasional explosions at nuclear construction sites or

near operating stations remind the Government that it must move ahead very prudently. Government focus is now on devising reliable ways to ascertain, at the planning and building stages, the security of proposed plants against risks of accident. The disposal of nuclear waste materials also a key unresolved

Switzerland has four operating nuclear power stations—two at Beznau, one a Muhleberg and another as Gosgen-Daniken. The Energy Commission, which predicts a 3.4 per cent annual increase in electricity consump-tion up to 1985, recommends the opening of at least two new nuclear plants in addition to one at Leibstadt, which has been approved but has yet to be built. One of the two new plants would be at Kaiseraugst, near

ing dates could be 1984 and

A group of 10 existing electricity works in Switzerland estimates that demand for electricity will grow at 3.7 per cent a year up to 1985. It has called for one new nuclear plant in addition to Leibstadt by the winter of 1984-85 and a further unit towards the end of the 1980s. The controversy raging currently is whether the Kaiseraugst unit is really

The Government has also to have been successful, but the decide whether it will enact a construction industry is making law making it compulsory for great efforts to improve home all nuclear power station authorities to take out insurpositioning buildings to reduce ance guaranteeing unlimited shadowed areas and using new compensation to third parties techniques such as solar who might suffer from an accident. The nuclear and electricity generating industries and insurance companies say the plans to introduce un-limited liability go far beyond those in other countries.

Switzerland is trying to develop all feasible energy sources to reduce oil imports. Out-dated hydro-electric stations will be renovated and new investments will be made to energy, and the search for indigineous oil will be stepped up. One estimate puts annual spending on solar energy development at more than \$60m with the number of operating units doubling every year.

Oil deposits

Oil has been found in the cantons of Lucerne and Berne but the reserves are too small be meaningful in long-term calculations.

Switzerland has trouble keeping its energy demand at exist ing levels, let alone reducing it. In 1978, the latest overall figures available, total energy consumption rose by 5.5 per cent to 673,800 terajoules, while Gross National Product in-creased by only 1.2 per cent in real terms. Overall demand was four times the 1950 level.

During the first half of 1979, electricity demand rose 4.2 per cent compared with the same period in the previous year, and natural gas demand rose by 12.9 per cent. Imports of crude and refined oil pro-ducts fell by 4.1 per cent.

Power output also fell by about 4 per cent leading to a drop in earnings from power exports. In 1978, such exports were worth \$130m compared with \$250m in 1977. Power output is expected to recover this

The massive dam in the Moiry Valley holds back water for electricity generation





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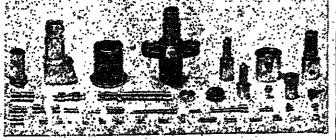
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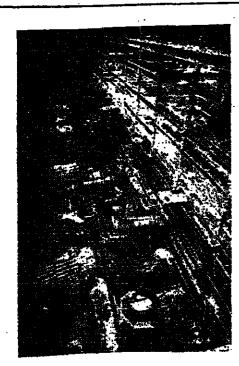
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Chocolate industry willing to pay more if cocoa prices settle

THE SWISS chocolate industry is cautiously optimistic about prospects during 1980 after scoring a generally satisfactory

performance last year.
Chocosuisse, which groups almost all the main Swiss chocolate makers, says 1980 is likely to bring moderate gains for the industry provided that economic recovery continues in Switzerland and other European coun-tries, and that exchange rates remain reasonably stable.

Last year was characterised by a small increase in chocolate product sales both in Switzer-land and abroad but turnover fell slightly because of lower prices, cost increases and unused capacity.

The fastest export increases were in Saudi Arabia, which has been buying rising quanities of deserts containing chocolate as part of its schools' feeding pro-

The breakdown last month of the international cocoa agreement has brought new uncertainty to the industry which would by far prefer to see generally stable cocoa prices even if that means having to with higher price levels. The fear now is speculation will reign stronger on world cocoa markets causing more price instability. Some chocolate makers such as Nestle are even willing to live with a producers' cartel, such as the one for coffee, if prices settle down to

The Swiss home market for chocolates is thought to have reached saturation and the focus of producers must increasingly turn to seling abroad. Swiss chocolate consumption per head per year rose from 9.1 kilo-grammes in 1978 to a record 9.2 kg last year. Despite their fondnes for sweet things, the Swiss are not expected to eat much more chocolate this year. The Swiss already consume

more chocolate per head ner vear than any other nation. Norway stands second in the league table with 6.8 kg fol-lowed by Britain and Belgium with 6.6 kg each. Italy is last with only 0.9 kg.
Part of the Swiss chocolate industry's moderate optimism

stems from its long record of

innovation and its hope that

tourists visiting Switzerland and people living in the frontier regions will buy more Swiss chocolates. Such sales become increasingly important in recent years reaching 20 per cent of total sales in Switzerland last year. Almost half of all chocolates sold in Switzerland are in the form of bars but cream and other stuffed chocolates are gaining ground. Total chocolate product sales last year were 62,929 tonnes of which 12.926 tonnes - about

Exports increased by two per-cent in volume terms but their value fell by five per cent last year compared with 1978 made by producers to maintain was a gain over the 837 tonens their foreign market shares. exported in 1978. contrast, imports of chocolate products increased further last year and foreign chocolates now account for 13.7

pe cent of the Swiss home

Main complaint The industry's main complaint rate of increase in exports.

The industry's main competitors that foreign competitors is that foreign competitors enjoy cheaper inputs. One reason for concern at the breakdown of the cocoa agreement is that higher cocoa prices might force Swiss chocolate-makers to further raise prices in foreign markets, thus eroding the recent advantages gained because of a weaker Swiss franc, and causing fall in overall consumption volume, Another result of rising cocoa prices might be a fresh boost for cocoa substitutes or

the development of products containing less cocoa. The ability of the chocolate industry to maintain and expand foreign market shares, depends heavily on general economic conditions. For example, even price decreases last year did not succeed in raising sales by large enough quantities to bring chocolate plants to work at full

capacity.
France supplied about 30 per cent of imports and West Germany third with 17 per cent. Britain, in fourth place with 14 per cent, has seen a 50 per pleasure," the report adds.

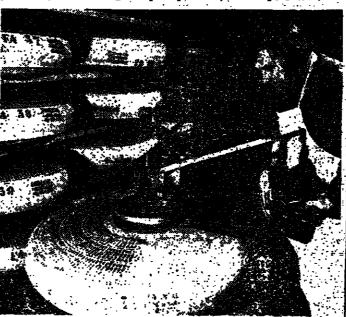
were exported cent drop in its exports to sed by two per Switzerland from 2,338 tonnes terms but their annually in the 1973-77 period to 1032 tonnes last year. .

tion with itself last year was that it increased domestic sales by 1.3 per cent after a 6 per cent drop in 1978. But imports increased at 5.9 per cent a year

largest Swiss food products group, which includes the famous chocolate makers famous chocolate makers Tobler and Suchard, is alzeost surprisingly optimistic about the chocolate industry's pros-pects. In a report Credit Suisse, one of Switzerland's three main banks, Interfood director-general Jorg von Wyss says, "in contrast to black gold (oil), the sources of brown gold (chocolate) wil be far from being exhausted in the year 2000."

report saying that the world chocolate industry should grow at an annual rate of 6 per cent up to 1985, including a nearly 21 per cent growth rate for the industry in developing countries. "The chocolate industry has

bright future and our optimism is largely justified." says an Interfood report. Chocolate is a balanced food cent of Swiss chocolate imports and has deeply penetrated last year, scoring a spectacular peoples' tastes, partly because increase from just 239 tonnes of its identification with sweetannually during the 1973-77 ness and tenderness. For period to 2,300 tonnes in 1979, modern man in a world Holland was second with 20 per dominated by violence, the notion of sweetness evokes pleasantness, lightness and a moderate and peaceful



Putting the final touches to a Swiss cheese

Cheese makers face tough competition

THE SWISS cheese industry is creased the price of milk to 79 cheaper cheese on foreign marstruggling to hold its own in centimes per kilo last autumn kets.

both home and export markets making Switzerland the most The SCU's annual report for in the face of increasingly strong competition from lowerpriced foreign cheese and constantly rising production costs. The industry's fate is closely tie dto the state of the milk in-dustry, whose health in turn depends to a large extent on the minimum price for milk guaran-teed by the Government as part of its farm incomes support

policy.
The lion's share of the cheese industry is taken up by hard cheeses which account for three-quarters of total cheese production, the rest being made up of semi-hard, soft and processed semi-hard. Soft and processed cheese. As a result, the most powerful influence in the cheese sector is the Swiss Cheese Union (SCU) which was created in 1914 jointly by milk producers, cheese makers and cheese exporters.

Although constituted as a private body, the union is subject to government regulations obliging it to act as semi-public authority regulating the cheese industry. The union's key task is to buy nearly all output of hard cheese at a price that covers producers costs. Its 56 members, including exporters and distributors, are then obliged to sell the cheese, when princely aged, at prices set by the SCU at the highest possible levels. The SCU also gives marketing help by mounting publicity campaigns, providing business contacts and handling

trede-mark protection. Last year was a period of shocks forthe union. It began the year with moderate stocks and a rising consumer market hoth at home and abroad. It then ran into foreign reductance to buy expensive Swiss cheese at a time of mounting dairy product surpluses in Europe. To make matters worse an unforeseen milk boom in Switzerland caused severe market imbalance. To prevent milk producer the Government in-

expensive place in the world in which to buy milk.

Aggravated by cheese overproduction throughout Europe, the near balance between cheese demand and supply in Switzerland at the start of last year changed to a sharp oversupply situation by the year

Half is exported

Usually about half of Switzerland's cheese output of about 120.000 tonnes is sold abroad. Last year persuading foreigners to buy Swiss cheese was particularly difficult and the SCU was forced to offer qualities lower than the best at reduced prices. despite contradiction with the Swiss image of a seller of highquality expensive cheese. The quality reductions were made to relieve pressure from cheese

The result of last year's so far unusual situation—which might become a longer term. one if the Common Market's dairy products surpluses con-tinue—was to bring calls in switzerland for state aids in the butter and cheese sectors. The CSU says in its review of last year's hard cheese situation wilk produced every year are that such aids are "an agro-political necessity if Swiss agri-culture is to be protected."

It notes that in its recent per cent to 27,000 tiqunes. Cheese plays: a vital role in the Swiss dairy economy. About the 35m tons of the

It notes that in its recent talks with the Government "certain differences of opinion" could not be avoided. "The making of cheese according to the best rules of the art is not a sinecure," it adds. Cheese-making demands hard work and creat expertise. Yet, despite its high quality, there is a limit to how high a price can be asked for Swiss cheese.

The main demand of cheese producers is for disguised state subsidies, probably through price supports, to strengthen Swiss ability to compete with

The SCU's annual report for the 1978-79 period says that the Tokyo round trade negotiations produced "contradictory results" for the Swiss cheese industry. The U.S. is currently replacing its anti-dumping policy by a system of quotas which will strengthen the grip cheaper cheeses. Nothing has been achieved which might help to reduce the price of Swiss cheese significantly in North America and Europe.

Swiss exports of cheese in volume terms fell by 6.1 cent last year to a total of 44,473 tonnes. The Common Market remains the biggest customer, buying about 82 per cent of total Swiss cheese ex-

Total sales of hard chees during the first half of the 1979-80 financial year were 41,000 tonnes, up by about 5.9 per cent from the 1978-79 period. Sales at home were 14,800 tonnes, drop of 3.4 per cent compared with same period in the previous financial period. while exports increased by 12.2 per cent to 27,000 tonnes.

keep a close eye on production methods to ensure that the output is of high quality. The cheese is made in about 1,500 small village dairies run by trained master rheese makers.

It is this close attention to quality that is expected to ensure the survival and profit-That the Swiss are the world's biggest eaters of cheese also helps. They ate a record 12.48 kg of cheese per head in 1978, up from 11.04 kg in 1974.

But last years performance new products and better which handles questions related an ever the 837 toness marketing and distribution ing to trade marks, patents, exported in 1978.

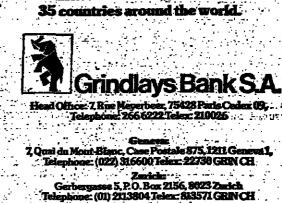
The main reason for the More co-operation among command provides help to the agrochocolate industry's satisfact panies should also be developed food products and tourism into with itself last year was in create new food products and tourism in the same should also be developed. to create new food processing dustires to solve organisational technology. One example of technical and commercial such co-operation is a link problems, between Interfood and four other compaines, including an

The key to health in the engineering firm, as well as the cholocate-making business lies Swiss Milk Producers Association modern management tion. These partners have tion. These partners have tion. FATT's S.A. created a new firm, FATT's S.A.

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SWITZERLAND XIII

Outlook improves for chemicals sector

THINGS ARE looking up for the Swiss chemical industry. Initial reports from major producers point to an overal improvement in 1979 over the currency had made 1978 "a unsatisfactory showing of the previous year, while 1980 has got off to an even better start chemical manufacturers. Dr. against became ore competitive industry with its important industry exports were up by no industry exports were up by got off to an even better start. Although profit levels still leave much to be desired, sales—and with them capacity use rates been rising noticeably.

As production rises in As a result, group turnovers Switzerland itself, output is of most Sfiss chemical multis being boosted by the growing were down by some 8 to 12 per number of subsidiary installacent, even though foreign sales in terms of local currencies had tions abroad. The generally glum feelings induced by the poor figures for 1978 have given to a mue hmore positive

stabilisation of exchange rates

chemical manufacturers Dr. Alfred Hartmann said in his presidential address at the last annual meeting of the country's Society of Chemical Industries.

cent, even though foreign sales in terms of local currencies had been satisfactory to good. Group profits of the leading Basle undertakings fell by between 16 and 40 per cent.

A decisive factor in the While there was no great industry's upturn has been the leap forward in orders last year -unlike the German chemical

against became ore competitive on world markets, which in any Swiss-franc income narrowed substantially.

Production growth averaged 4 per cent for the year; though was little more than that for the previous year, output accelerated in the second half to annual rates of 11.3 per cent in the third and 8 per cent in the final quarter.

of the industry admittedly up by only 2.7 per cent over the year. This seems of inconvery modest at first glance. currency re However, growth had been of kept profit only 1.5 per cent in 1978. Also, last year in the last three quarters of 1979 annual turnover growth was of between 3.8 and 4.8 per cent. World sales figures for the more accentuated turn-around. Group turnover of Ciba-Geigy Swiss-franc terms (or by 17 cent in local currencies) for the year, for example, while the twin Roche-Sapac groups reckon with a 7 per cent growth and Saindoz reports consolidated sales up by 3.4 per cent in Swiss francs, or 10 per cent in terms

Latest reports indicate a probable further improvement. Obtain a single usable product more than one-fifth in the case at least in the first part of this. It can take anything up to 10 of the Ciba-Geigy and Sandoz year. Sales are bound to expand bound in new-order volume by quarter of last year.

First estimates of a further rise in business in the first months of 1980 have gained on sales has fallen substantially primarily in fields where the confirmation already by Governin recent years, chemical com- Swiss groups are already active.

picture is emerging for synthetic fibres and filaments.

case had tended to expand As yet at least, the upswing again, and the gap between is not being fully reflected in foreign-currency sales and corporate earnings. Prices are still under pressure, particu-larly in the pharmaceuticals sector—by far the biggest single branch of the Swiss chemical industry. In February of this year, average export prices for Swiss pharmaceuticals were as much as 16.4 per cent below those for the same month of 1979. This more than offsets price increases in other sectors. was Insufficient price levels, grow-

ing costs and continuing losses of income from foreign-

currency relationships will have

kept profits below 1977 levels

Bad news

This is bad news for an industry so reliant on techinnovations. nological Switzerland alone, the chemical industry spends well in excess of SwFr 1bn annually on research and development; worldwide, R and D expenditure by Swiss chemical groups probably exceeds SwFr 2bn a year.
In the pharmaceutical and

agro-chemical fields, where most of the research activity is con-centrated, between 8,000 and years from the discovery of a groups, new active substance and its Recei introduction to the market, this

panies have not felt able to cut back on development costs. The industry, more than any other, is forced to engage in a constant process of product replacement and the upgrading of technology.

The lack both of indigenous raw materials and a large national market has always kept Swiss chemical companies of a major engagement in bulk

At the same time, investments in new plant and participations In existing companies continue to run high. This concerns to run high. This concerns especially projects abroad. In Switzerland itself neither the land nor the labour is available for green-field developments, capital expenditures being concentrated on a further increase in added-value, on research and development facilities and environmental-control installa-

tions. More and more money is being spent on building up foreign subsidiaries, partly for currency reasons, partly to be immediately present on major user markets and in some cases at the behest of local Govern-

While exports from Switzerland continue to grow, having reached a record SwFr 8.8bn (\$5bn) in 1979, an increasing volume of production is there-fore being accounted for by Swiss-owned factories abroad. This applies particularly to the United States, already by far the bigegst national market for Swiss chemical groups; over one-third of total Roche/Sapac 10,000 syntheses of active sub-stances are today needed to sales are made in the U.S. and obtain a single usable product. more than one-fifth in the case

Recent years have seen major

pected to consolidate its position worldwide in its "traditional" operations like pharmaceuticals—where the three big Basis. terms. Other speciality sectors

and aromas.

Generally speaking the Swiss chemical industry may be exgroups meet 10 per cent of total international demand—and dye-stuffs, where their world share is one of 18 per cent in value

of world demand for flavouring But diversification will also

the move of Sandoz into the U.S. seeds business. Some of the new or intended moves are taking Swiss groups well out of their traditional spheres, as with the (hitherto unsuccessful) attempt by Sandoz

continue fast; recent examples include the Airwick household-products division of Ciba-Gelgy, Roche's instruments activity or-

to extend its U.S. food opera-tions from Ovaltine, diet prodducts and snacks by a takeover of the McCormick spice and tea

include agro-chemicals and the Geneva-based flavours and fragrances industry, the latter meeting a probable one-quarter

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direct investments and acquisi 14.2 per cent in the third and at a time of weakening patent tions here, not least in the light 15.1 per cent in the fourth protection and greater Govern- of the cheap dollar. Corporate mental control of registration medium-term programmes seem procedures and market prices. to be aimed at a retention or Although the rate of return expansion of the U.S. stake,

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Strongest textile companies survive

Switzerland's prestigious and long-established textile industry has seen some pretty lean competition on export and domestic markets. the generally sluggish state of consumer-goods sector and the high level of the Swiss a year or so ago of a flooding-franc meant that annual produc- out by cheap Asiatic goods have tion volume was below the 1973 not been justified; the main index by the end of the decade. Exports fluctuated from year of SwFr 3.2bn (\$1.81bn) was still barely 10 per cent above that booked five years earlier.

The textiles and clothing industry, concentrated particularly in Eastern Switzerland. was shrinking fast, its total labour force dwindling to about half its former size in the short period from the mid-60s to the end of last year.

The industry now seems to have come out of the wood. The Darwinian process of natural delection has meant that the trongest—though not necesarrily always the largest empanies have survived. Proauctivity has improved to such extent that the much duced industry of the 1980s Is doing more business than the more than 2 300 companies evistence 15 years ago. ผู้วาร กอรรอกกลไ problems Zentre not on the need for Tedundancies but on the shortare of manpower. Almost no product group which is not selling more than a year

Consolidation

Last year saw a turn in the Tortunes of the Swiss textiles and aparel industries. On the one hand, international demand Derked up enough to offset the pear-stagnation in domestic retail sales. At the same time, There was a marked decline in the Swiss-franc exchange rate. This enabled the industry to consolidate its efforts to intrease its export share in total Sales. Overall turnover of the fibres, fabrics and clothing (including shoes) sector is put at some SwFr 5bn (82.82bn) at least; of this annual figure, exports have risen over the past years from 50 to some 60 per

It has not been easy to build up foreign markets. Indeed, many of these outside Western Europe have been lost as a result of high customs barriers and the strong Swiss franc. At present, something like threequarters of all exports go alone to EEC and EFTA countries. Since Federal Germany alone takes nearly one-third of the export total, Swiss textile and clothing manufacturers have very relieved at the strengthening of the mark from 75 centimes in September, 1978. the current level of about centimes; the DM, not the Hollar, is the industry's cur-

rency of reference. Swiss producers will have to continue to focus their efforts on foreign markets. Although retail sales of apparel and material have been growing in Switzerland itself recently, the country attracts a very large bolume of imports. These bolume of imports. These reached a peak of SwFr 4.69bn (\$2.65bn), again including footyear, in 1979 and thus amounted to well over double domestic sales. As in the case of many

THE past few years, other Swiss industries, im-zerland's prestigious and ported goods tend to be far below average prices for Swissmade items-in many cases in types or qualities for which no domestic competition exists. However, the fears entertained by clothing manufacturers only increases in imports of apparel (without shoes) in 1979 to a year, but the 1979 figure record SwFr 1.94bn (\$1.1bn) from the neighbouring countries of West Germany and

A Swiss textile worker produces embroidered

cotton fabric

Italy, not from the Far East. rather than the home market has led to considerable efforts in the field of trade promotion. A major thrust has been with the expansion of the so-called Textil and Mode Center, a permanent exhibition of Swiss fabrics and fashion goods built at considerable expense near Zurich airport. At the time of its inception, a bad period for the industry, eyebrows were raised at such a whistling-inthe-dark investment; now exports are running at record levels the idea is accepted as

Ladies' wear also has a permanent showcase in Zurich's Fashion Center City, while clothing manufacturers present collections at seasonal shows like the Swiss Fashion Weeks, the "Mod-Expo" International Ladies Fashion Fair (both also in Zurich) or the Semaine Romande de la Mode in Lausanne.

having been a good one.

Swiss manufacturers and the textile trade body Industrie verband Textil were present last week for the first time at the Olympia-based Fabrex '80 with a special Swiss fabrics show.

Latest reports indicate how well attempts to build up foreign markets have succeeded. 1979, exports of cotton fabrics and industrial em-broideries reached record levels of SwFr 523.1m (\$295.5m) and SwFr 200.1m (\$113m), respec-tively, while those of clothing other than shoes came to within a hair's breadth of the 1977 peak of SwFr 368.2m (\$208m).

Recovery

The long-afflicted man-made fibres sector showed a recovery to reach an export value of SwFr 585.9m (\$331m), the best showing since boom year 1974. The first months of 1980 look

even brighter. Total exports of textiles and apparel, including footwear, were up by no less than 18.3 per cent in January/February of this year as compared with the same period of 1979, with an enormous jump of 60.3 per cent for woollen yarns and 76.7 per cent for woollen fabrics. All branches of production with the single exception of carpeting-up in volume but in price showed a marked improvement in foreign sales-

.Of particular importance to the industry is the fact that price levels are at last showing an overall rise—by an average 6.8 per cent over the two cor responding months of last year. This does not yet apply to clothing, but at least the sharp fall in sales prices which brought average price per kilo of ready-made apparel down 10 per cent between autumn, 1978, and summer 1979 has slowed down

to an annual decline of less at the end of 1979 orders on in the wake of the Government's than I per cent. As Mr. H. B. Meirhofer, man- above that a year earlier; on

aging director of the St. Gali company Stoffel AG, said in a recent article: "The textile industry is out of the doldrums." Even given the lack of labour, increasing U.S. competition and the danger of new foreign-exchange disturbances. the industry is optimistic.

This optimism is based not

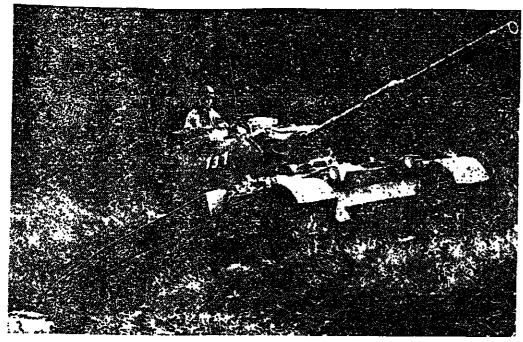
average, new orders were up by some 13.4 per cent over 1978

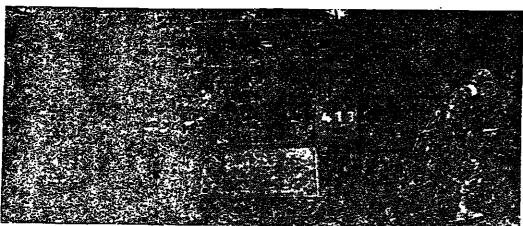
At long last, too, producers are reporting a moderate increase in corporate profits, capital (or even actual cash as that showing an average 4 needed funds for a further raisper cent rise in output in cain-dar 1979 or the 7.5 per cent and a further bettering of pro-improvement in export value. It also arises from the fact that is so hard to come by, not least

and hard a volume 17.2 per cent strict containment of the foreign-labour force, there is no big move of capacities out of the country.

Apart from structural considerations, the producers have benefited from the strength of the local textile-chemicals and These are very welcome, not textile-machinery industries, the just in the light of improving existence of an excellent comlong-insufficient return on munications system adjacent to major markets—and the sympathy brought them hour of need by the National







The Swiss army on manourres

New defence strategy by 1

ALARMED BY increased East. Third World raw materials. which can mobilise nearly soldier, being a professional in addition, households are expertise. Soviet invasion of Afghanistan, shreatened by the Warsaw Switzerland is taking a long. Pact's superiority over the hard look at its system of MATO alliance in conventional defence and the interlinks. between defence, foreign and foreign trade policies.

The existing defence strategy is based on a federal Govern-ment report of June, 1973, year and is currently being neutrality. revised. The Government has told Parliament that it expects to propose measures or a completely new defence strategy

the United States and the Soviet Union have a crucial influence on the situation in 1970s has been slowly and seriously eroded by increased armaments in Europe and by localised wars in distant countries.'

Growing moves to place tactical nuclear weapons in "traditional zones of tension" are likely to alter significantly the existing stand off between East-West forces leading to new distrust and risk of war. it adds.

The industrialised countries might also have to use force to protect their access to vital

cluding the Afghanistan invasion, have made it necessary for mainly of a fe whundred career groups. which was reviewed by the Switzerland to review its long-Government in December last standing policy of "armed

Neutrality-meaning strict evenhandedness between the two super-powers and their allies even in peace time—is itself not being questioned. But Noting that relations between it is believed that Switzerland managed to stay neutral in the two previous world wars because its policy is backed by a Europe and on Switzerland's strong and well-organised demilitary role, the December fence network built upon an report says that "the very armed militia ready to fight a promising detente of the early "people's war" rather than on armed militia ready to fight a manship tests every year. "people's war" rather than on a large, professional army.

The Government estimates that the militia system is that the militia system is the control of the co

Several planks

Switzerland's defence system is built upon several interrelated planks, including an armed militia, very mobile and high quality weaponry, past and low-flying aircraft and helicopter gun ships, an extensive civil de-fence network including underground nuclear shelters, and

counter-espionage. At the heart of the defence

weapons.

33 to 42, and Landsturm forces patriots in different parts of the country every year, adding the country every year, adding women's corps performs administrative and health services.

33 to 42, and Landsturm forces patriots in different parts of the country every year, adding the country every year. officers who act as instructors.

> After an initial period of national military service, every male citizen is obliged to attend training courses varying from three weeks in a year for the Elite forces to two weeks every two years for the Landwehr and two weeks every four years for Landsturm units. Each male keeps an automatic rifle a uniform and live ammunition in his home. He takes shooting instruction and passes marks-

The Government estimates that the militia system brings an annual subsidy worth SwFr 500m (\$300m) to the Defence Department from private enterprise which must pay its employees when they go for military service.

Militia officers—the highest rank is a colonel of a brigade-perform administrative and other tasks at their own cost at home, bringing huge savings to the Government. Another significant advantage of the

The professional army consists structure and divisive language

The defence forces are divided into one Alpine corps, three field corps, including one mechanised corps, two infantry corps, and an air corps.

Because of the country's mountainous terrain, the key consideration is the use of mobile and very high quality weapons. it is expected that a numerically superior and more powerful army would probably overrun the country but would not be able to maintain control without enormous cost because of attacks "whenever possible and from all sides."

Light tanks, armoured vehicles, fast low-flying war planes and excellent communications are considered vital for such a strategy. A major controversy blew up last year when a senior army official said the backbone of Swiss tank columns —the model 68, a mainly Swiss made tank—was inefficient and should be abandoned. After heated debate within the Government it was decided that the existing tanks should be updated to serve until the early 1990s, when foreign made tanks—either West Germany's Leopard or the United States AMX—would be used.

The Government is currently choosing between the two foreign tanks and has decided not to continue a project begun five years ago to develop a Swiss made tank for the 1990s.

peo- etaoin etaoin etaoin nan Switzerland's air force, which uses American-made Tigers and French-made Mirages, is also due for an overhaul and debate has begun about replacement

The Swiss have never tried to acquire nuclear weapons, arguing that they are hardly likely to be without Western backing In a nuclear war, however, to ensure chances of survival, a 1973 law requires construction of nuclear shelters to protect the entire population. Enough shelters have been built so far to protect about 70 per cent of the population.

A heavy importer of energy, raw materials and food. Switzerland also holds large stocks of vital food products and other commodities. The Government has stepped up its programme of procurement because of the recent increase in East-West tensions and the prospect of trade war if effective Western sanctions are applied against the Soviet Union. It has also The Government ecommended that Switzerland should take an active part in the energy sharing programmes of the International Energy Energy

Stocks held in peacetime cover estimated needs for about one year of liquid fuels, food, animal foodstuffs, antibiotics and certain inputs needed by the agricultural sector. The Government is working to build up larger stocks of oil and oil

based products, natural gas, dairy products and potatoes. In

A new law approved this year allows Government to requisition vital supplies in times of economic crisis.

With expanding needs, the defence budget has come in for increasing scrutiny. Between 1975 and 1979, Switzerland spent SwFr3.9ba on defence, a 28 per cent increase over the 1970-74 period. Annual increase in defence spending was about 3 per cent. The overall defence budget accounts for about 2.5 per cent of Gross National Product.

Last December's Government report on defence policy says Switzerland would be turned into "a vast battleground" in any future European war if it does not succeed in protecting its neutrality. The most serious danger for Switzerland is espionage, for which it is a "nerve centre," the report adds.

Despite its efforts to police its territory, Switzerland will con-tinue to be a "country of transit and a base for acquisition of materials designed to create terrorist or even criminal intrastructure abroad." The Government should be prudent in its dealings with foreign terrorists because the country could become an easy target for

Controversial

One of the more controversial aspects of Swiss defence policy is the development of the local arms industry and arms exports by private enterprises. The State-owned arms industry is centred on six enterprises located in remote areas. These produce ammunition, small arms and some armoured vehicles, and also assemble aircraft. The privately-owned sector consists mainly of eight large companies, only two of which manufacture complete weapons. Several thousand smaller firms act as sub-

contractors. The key arms-making companies are Oerlikon-Buhrle and Mowag Motorwagenfabrik. The private sector makes mainly cannons, tank guns, rockets, light aircraft, electronic apparatus, smal arms and light armoured vehicles.

A 1973 law, modified in 1978, prohibits arms exports to countries engaged in conflicts er likely to go to war. But regular reports about arms sales to such countries, including recent newspaper photographs of Swiss-made armoured vehicles being used to crush street riots in Bolivia, have increased pressure for a revision of the law that a new one being prepared will be completed very soon.

An unusual aspect of Swiss fence strategies is to hide entire military command posts. hospitals and mini-towns in systems of underground tunnels in its mountainous central regions. It is claimed that the entire population can go underground to wage a war of attrition leaving a conqueror with no subjects to rule.

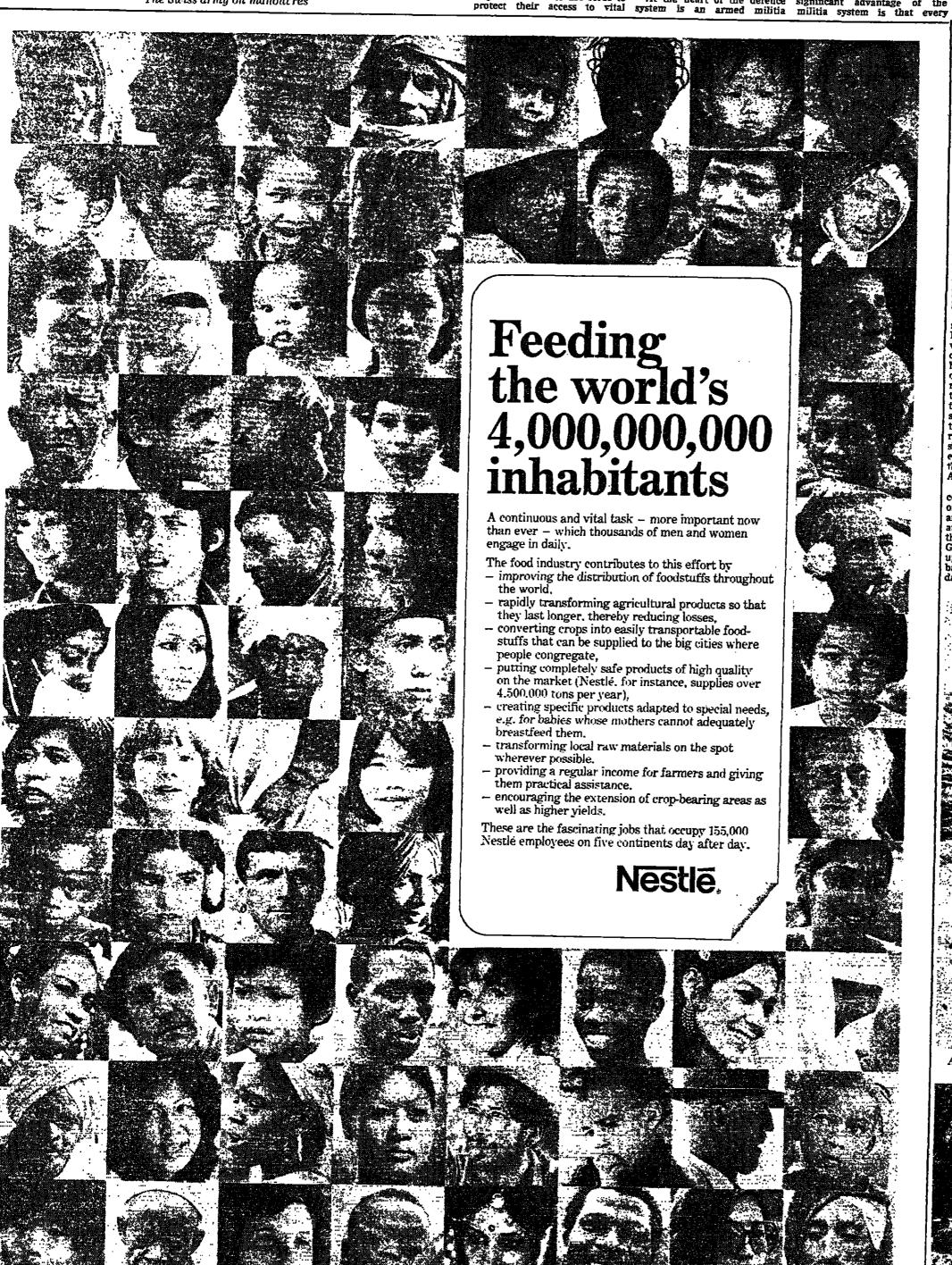
B.K.



All men under 50 are members of the Swiss militia.



TO THE TOTAL STREET, LANCE OF



Clouds over Silicon Valley

BY GUY DE JONQUIERES

THERE IS nothing new about were forced into liquidation or intervals of as little as 18 searching about the supposed American companies asking mergers. their Government to bail them out when they are down on sharply prise system as Penn Central. Lockheed and Chrysler have all swallowed their pride and trooped to Washington cap in

It is surprising, however. such pleas are heard highly profitable companies operating in a young equip and dynamic sector of the my. Yet a growing numper of leading semiconductor manufacturers in California's Silicon Valley, south of San Francisco—the forcing house of American microchip technology-are now pressing with increasing urgency for Government support. Without it, they chim, their future survival may

be at stake. That the campaign, led by dustry Association (SIA), is being mounted as the American economy moves more deeply into recession is largely a coincidence. So far, the industry's resilient growth rate has barely been dented. Thanks to an unexpectedly strong surge in world demand for chips, sales last year broke all records, rising 36 per cent to \$6.6bn. They were still forging shead in the first quarter, up

period of last year. Most forecasts point to much reduced growth in the second half of this year, as the general slackening givity, high interest rates and spending cuthacks by corporate instomers begin to take their foll. Few people are prepared to hazard a guess about 1981: but the industry hopes, at least, io avoid a repetition of the eep slump in 1975, when sales introduce successive generations their American customers. And form of a space programme in below the level two years of smaller, faster and more if so, why. In Silicon Valley, begun in the 1960s; and, more-stiller and several companies powerful integrated circuits at there is much agonised soul- over that U.S. comapnies build-

at per cent over the same

It is counting mainly on increased their luck. In the past few spending by the U.S. and its vears such previously stalwart NATO allies, buoyant worldwide defenders of the free enter- investment in electronic telecommunications equipment and strong demand from the U.S. motor industry to cushion the downturn.

Though their finances are tight, American car manufacturers are buying millions of They are needed to engines with emission control devices and improved fuel systems to meet the stricter

... a shift is taking place in the rules of the semiconductor game...

Federal standards for petrol economy which go into force at the start of the new model year next autumn. General Motors plans to fit at least two microprocessors to every car it

Discussion of the business cycle is, however, overshadowed in Silicon Valley today by longer-term concerns. companies are grandually becoming aware that a shift is taking place in the fundamental rules of the semi-conductor game and are uncertain how to cope with it. Their anxiety is all the greater because they themselves invented the original

The U.S. has led the world in pioneering high volume production of chips and components. The market has been propelled by dramatic advances in micro-electronic technology which have made it possible to deep slump in 1975, when sales introduce successive generations fell below the level two years of smaller, faster and more The industry's performance

1970, worldwide U.S. sales have quadrupled, and despite the 1975 debacle the average annual by as much as -30 per cent a American customers.

to American manufacturers, however, suddently to discover that they no longer have the field to themselves. They have been badly joited by the speed which major Japanese electronics companies, with no previous, experience in chip-making, have acquired the technology and entered the market as major forces.

The Japanese strategy has been to attack a few, rapidly expanding segments of the market. It has worked particularly well in 16-K Random Access Memories (RAMs), the most advanced memory chips currently in full commercial production. Japan is believed to have cap-tured in less than three years some 40 per cent of this market both in the U.S. and in Europe, hitherto considered almost exclusively an American preserve.

It is questionable whether the Japanese would have performed quite so well had American chip-makers themselves not been cauhet off guard by the sudden surge in demand for RAMs and other key integrated circuits last year.

A vigorous debate is also under way as to whether Japanese chips are of superior quality, as claimed by the Japanese themselves and by some of their American customers. And

advantages of Japan's cultural traditions and educational syshas been spectacular. Since tem in producing a diligent work force.

This kind of speculation. which sometimes verges on the rate of increase over the past mystical, may be no more than seven years has still been a reflection of wounded Ameriaround 15 per cent. Even more can self-confidence. A harderremarkably fierce competition headed view is that Japanese and the development of in- manufacturers carefully screen creasingly efficient production every chip they make before it techniques have forced down leaves the factory and send only the prices of individual devices the very best ones to their top

They can afford to be more It has come as a severe shock scrupulous, it is argued, because they receive subsidies and loans at artificially low interest rates. According to Mr. John Nesheim, treosurer of National Semiconductor, this means that Japanese companies need earn oaly half the return on equity which their American competitors must achieve to stay in

> Nor is Japan the only offender in American eyes. According to Rockwell, Governments around the world are pumping as much as \$2bn into encouraging the development of home-grown integrated circuit production.

> There have been vague hints from the industry of the need for some form of trade measures aimed at the Japanese. But no atcion has been taken so far. This is partly because a recent report by the U.S. International Trade Commission effectively exonerated Japan from accusations of unfair trading practices and because the U.S. industry. as a major exporter, is wary of pressing too hard for any restrictions whiche ould lead to retaliation against its own

> It is often overlooked, of course, that Silicon Valley itself got started with the help of a massive infusion of Federal Government spending in the

ing plants abroad frequently fraction of the space and cost benefit handsomely from the same incentives from host governments about which they com-

plain so bitterly in Washington.

American alarm might have been less shrill if the Japanese had not burst on to the market just as the U.S. industry was approaching a critical stage in its own development. For the micro-electronics business is becoming more difficult. miniatureisation proceeds, the task of fitting ever more circuits on to the face of a chip the size of a pea and getting them to work properly is becming in-

creasingly demanding. This, and the general rate of inflation, have sharply pushed up development and production costs. It is estimated that the cost of installing a wafer fabri-cation plant, in which circuits are etched on to thin slices of silicon, has risen to more than \$5m from \$1m or \$2m only five

More time, and therefore, money, is also neded to develop new chips: perhaps two or three years from the point of initial

. . U.S. companies have been victims of their OWN SUCCESS...

design of the logic circuits until sample production, compared with only a year or so for the simpler integrated circuits produced in the mid-1970s.

As chips become more powerful and cheaper, their range of potential applications also increases. Intel, National Semiconductor and Motorola among others are all planning to introduce soon complete new "families" of chips which will be as powerful as a minicomputer but, when mounted on circuit

substantially less

The problem is that while such developments bring computers within reach of a much wider circle of users, many of them will not be trained in data processing techniques. The solution is to simplify the task of using the devices so that they can be programmed and operated by anybody with access to a computer terminal.

Intel is proposing to do just that by building basic operating software into the circuitry of its new micro-computer-a remarkable step never before attempted by any chip manufacturer. Other companies will no doubt follow. But because software design is a painstaking and heavily labour-intensive business, the development costs are likely to be high.

Earlier this year Dr Robert Noyce, Intel's vice chairman, estimated that U.S. companies would have to invest \$28bn in new plant and equipment to produce integrated circuits over the next ten years if the growth of the past decade were to be maintained. He, along with other industry leaders, has warned that failure to meet this target would mean not only a drop in U.S. world market share but also the loss of technological leadership.

Their implied conclusion is that it will be difficult if not impossible to find sums of this order through the normal channels. Hence the SIA and its members have turned to Washington for help, requesting a variety of measures ranging from more generous tax incentives and tax credits for re-search and development to outright financial support.

Mr. Charles Sporck, president of National Semiconductor, believes that the U.S. Government should identify high technology industries as being of strategic

Instruments (us) 520 Semiconductor (us) ntel Intel (us) Fairchild issued FAIRCHILD **Mostek** (88) NEC

TOP TEN WORLDWIDE INTEGRATED CIRCUIT PRODUCERS: 1979 Sal

credit to them on preferential terms. One possibility would be through the establishment of a special financing institution, like the U.S. Export-Import Bank.

So far, however, the Government does not appear to be taking the bait. The Congress is considering a Bill which would provide some of the tax concessions sought by the industry; but calls for subsidised credit have fallen largely on deaf ears.

In a sense, U.S. semiconductor firms have been victims of their own success. The market which they have created by turning out ever cheaper and more advanced products has grown so big and important that it is no longer within their control. By boards, will take up only a national importance and direct making Silicon Valley a symbol

of innovation, they have also become prime targets for acquisition by large corporations eager to secure access to chip technology.

A number of manufacturers have already succumbed, notably Signetics which belongs to Philips, Mostek, acquired by United Technologies, and Fairchild, now part of Schlumberger. Many of the companies that are still independent resist takeover. claiming that it stifles the entrepreneurial spirit that has driven innovation forward. But if the future problems of obtain-ing financing are as daunting as the industry claims, many of them may have little choice in the longer term but to follow

Letters to the Editor

Multinational guidelines From the Deputy Directors, International Affairs, Confederation of British

Industry.
If Sir,—Of the 57 multinationals that have given their backing to the Organisation for Economic Co-operation and Development international investment guide-lines (April 22), the 35 largest have a world-wide turnover of bout £60bn a year, and they employ close on 1.5m people. It may be, as Mr. Arnold Krans-dorff points out, that they reprewhit only 3 per cent of the multitationals operating in Britain.

but in scale, they are a pretty ortaut 3 per cent. So if anyone is worried about conomic power being exercised responsibly, it is clear that the Confederation of British industry's message to members. wiging support for the investient guidelines seems to have through to some of the right

ū̃iarters. Certainly there is a good way to go before we can be fully satisfied with the number of British companies who have given the code their support. But in my view, the achieve-ment to date is not unimpressive. Let's keep things in

Most British firms classed as multinationals—that is with at least one subsidiary or affiliate in another country—are not in the big business league, with names like Imperial Chemical industries or Unilever. The 1,500 companies in this category are mostly small or medium sized, and this may well account for the "reluctance" high-lighted in the headline. To expect small companies employing a few people abroad to give early attention to a voluntary international code of conduct— which is in itself a rather novel concept — is not altogether realistic. Most of them no doubt think their first priority is to understand the complex labour law and practice in the foreign conntry where they operate.

But in any case, even if a company has not given its formal support, that is not to say. its operating practice falls below that outlined in the code. One is remidned of the man who suddenly realised he had been speaking prose all his life without knowing it; or to change the metaphor you can play a lot of good cricket without writing to MOMC about it! G: C. Mason,

21, Tothül Street, SW1.

Local authority pay

From the Head of Public Relations, Stockport. Sir,—If Mr. Drain, the general secretary of the National and Local Government Officers' Association (April 23) had paid increases, and assuming inflation more attention to my argument rises by 25 per cent by July. (April 17) and less to his ten- 1980 I would not have to worry dency for partisan rhetoric, he about inflation in the following would perhaps have given a 12 months, unless the year-on more convincing reply to my figure by July, 1981 reached 17.6 complaint, ie, that my recent

productivity bargaining in local government administration. I never said that I hoped to earn £12,500 by next July and I wonder from where Mr. Drain got that figure - unless, of course, it is an intimation of the kind of pay rises NALGO is now aiming for.

Drain avoids the key issue —

NALGO documents. I did, how- has an automatic right to be ever, make a mistake in my per-centage calculation, which Mr. alone get ahead of it, when so

my error in not compounding competition and a the percentage increases under- recession. stated the true position. According to the new pay

unqualified, inexperienced school leaver now receives 27 per cent more than in June 1979. The person on the midpoint of the pay scale receives 24 per cent more, and the person at the top receives 29 per cent more. Mr. Drain's claim of an average 13 per cent increase.

ought to be adjusted downwards whose surplus is needed to pay because part of the increase did not become payable until January 1. But by the same token, they would then have to be adjusted upward again to take accounts of tax reductions and the value added to our index-linked pensions.

One of the points I raised, by implications, is whether pay rises are intended to compensate for past inflation of future inflation. If it is the former, then we have done extremely well because the RPI during our last pay year rose by 15 per If it is the latter, then we still do well because the RPI has not yet reached any of the percentage points men- years, above. Of course, if NALGO does negotiate in anti-cipation of future inflation, then. corresponding economic growth. it would seem that Mr. Drain The alternative approach should possesses the crystal ball that he attributes to me. But his mean fewer potential members prophecies become self-fulfilling for NALGO. when a pay deal reached on that basis causes the very infla-

tion he has prophesied. Thus, it is quite legitimate for me to anticipate the consequences, should next July's settlement be in excess of the Government's cash limit, ie, 14 per cent. And Mr. Drain knows full well, with or without a crystal ball, that NALGO's claim will be well in excess of that figure. (I am told by one of our negotiators that the target is presently 20 per cent, but is expected to be jacked up considerably a in anticipation of in-

If our annual pay rises are intended to cover us for future costs rather than past, local government staff will probably end this year with a financial "surplus," i.e. ahead of the current inflation trend-es will teachers and many other public sector employees.

I contend that the July deal should be less than 14 per cent because if it is not, I will receive, not 42 per cent more as I mistakely wrote in my last letter, but at least 47 per cent more than this time last year. The junior will receive at least 45 per cent more and the middle rank 39.5 per cent. Given those per cent or higher. That means local government pay award is it could peak half way at about inflationary and economically 37 per cent without me or any unjustifiable. Once again, Mr. one else in my position suffering a drop in living standards. Likewise lower paid staff, i.e. the junior and middle ranks, could withstand a year-on inflation rate of 16 per cent peaking at 31 per cent or 12 per cent

peaking at 22 per cent.

Drain did not bothter to cor- many other people have to face rect. Understandably so, because the full rigours of international

> accepting fallacious arguments. That is an interesting observation because my basic argument is that real pay rises can only be had out of an economic surplus, or else at some other person's expense. I do not see any overal economic surplus in the British economy and there-So much for fore I have to wonder at whose expense do I get my present pay rise. It is either at the expense se in the market sector, for our public services, or at the expense of members of NALGO losing their jobs. Where is the

fallacy in that? Mr. Drain states that £1bn more in public spending will generate six times as many jobs as would £1bn in tax cuts. If that is true, the answer to unemployment would be to increase taxation and stuff every unemployed person into a Town Hall job. That would greatly increase Mr. Drain's subscription income but it would drive the

Mr. Drain also states that a sustained increase in public expenditure would renew economic growth. Well in recent there has been sustained increase in public now be tried, even if it does

An interesting footnote to this correspondence is that following my last letter I now face expulsion from the union for having expressed my opinion about my personal financial position. Perhaps I was too near the truth for comfort. Brendan P. Murphy. c/o Town Hall, Stockport.

Penalised for prudence

From Mr. F. Stark
Sir, — In the Budget the
Chancellor increased the
investment income surcharge
threshold by £500. At the same
time he increased the starting point for 45 per cent income tax by £1,250. Both these amounts to be indexed for the future. This means that the difference in the amount of tax paid on income by the pensioner on state pension plus investment income will increase progressively year by year.

Before the Budget married pensioner with state pension/investment income, by the time he reached the starting point for 45 per cent income tax, paid £1,031.40 more in tax than anybody else, with a similar income. For the coming year he will pay. £1,144.50 more than anybody else up to the starting point for 45 per cent income tax. With each succeeding year the difference will become greater.

For the purpose of illustration I have used the starting point for 45 per cent income. tax, but of course the pensioner on state pension/investment income begins to suffer at far belo wthat figure and will suffer even more above that

The people who are penalised Given the current economic are mainly retired small position of the country, I do not businessmen and women who Public Trustee Office, believe that local government invested for their own retire- Kingsway, WC2.

Nor did I pluck figures from officers, teachers, civil servants, ment by keeping their investthe air; I took them from or anyone else for that matter, ments under their own control. At the time of investment they did not enjoy the tax advantages that are today available to people in similar circumstances

The only way to remedy the discrimination is to abolish the investment income surcharge for people of pensionable

Is it to much to hope that some kindly disposed MP who can see the injustice of the situation would take the matter during the course of Finance Bill through-Parliament?

F. Stark 176, Southend Road,

Wickford, Essex

Accounting standards

From Mr. S. Kaye Sir,-It is very disturbing to note that approximately 5,500 under the provision of the Companies Act 1948, Section 161 (1)(b), the latest being granted in 1978, are not bound to observe standards recomme and carefully drawn up by the

recognised 161 bodies. Is the profession generally aware that the 161 (1)(b) auditor may offer companie complete freedom from any obligation to adhere to SSAP

and the like?

It is an anomaly that this position has arisen with Government blessing - Government gives active support and en-couragement to the imposition of recommended standards by the recognised bodies, but ignores its own protege. It is now time to put the question— what steps are being taken by the Government to correct the position for which it

responsible? This is a matter which cannot be allowed to continue, as the recognised bodies are entitled to look to the Government to protect their standards. What are the recognised bodies doing to persuade the Government to redress a ludicrous situation which could develop into a confusion of standards?

In this the Institute's centenary year surely positive moves could be started to regularise our fragmented profession so as to give it the unified status enjoyed by other learned bodies.

Stephen Kaye. 48. Winchester Court, Vicarage Gate, W8.

The Public Trustee

From the Chief Investment Manager, Public Trustee Office. Sir, — Under the heading "Bequeathing your assets to best advantage" last Saturday Tim Dickson asserts that the Public Trustee is a body whose sole business is to administer wills.

I would point out that the Public Trustee in addition manages settlements and investment portfolios and that he also has a substantial institutional side involving the management of unit trusts and a number of pension and friendly society

He does therefore offer a much broader range of services than the ordinary executor and trustee business. F. A. Beecham.

UK: Mr. John Nott, Trade ecretary, opens Advertising Secretary,

Association Brighton on "Advertising in a shrinking world: resources and resourcefulness;" speakers in-clude Sir Terence Beckett, Ford chairman, and Sir Peter Parker, BR chairman.

GENERAL.

Industrial tribunal hearing esumes on unfair dismissal of Mr. Derek Robinson (Red. Robbo), former BL shop steward,

Birmingham. Mr. John Moore, Energy Parliamentary Secretary, speaks at Institution of Electrical Engi-

neers' dinner, London. Overseas: The Queen continues state visit to Switzerland.

Today's Events

Queen Juliana of the Netherlands abdicates: Prince Charles represents the Queen at accession of Queen Beatrix, Amsterdam. Turkish Central Bank's annual general assembly, Ankara. East and West Germany sign agreement in East Berlin on road, rail and canal links between West Berlin and West

House of Lords: Debate on quality of Post Office service. Local Government Grants (Ethnic Groups) Bill, second reading. Debate on provisions which enable legal aid to be obtained care proceedings juvenile courts.

Select Committees: Education, Science and Arts, Room 6,

Social Services, Room 8, 4.30 pm. Welsh Affairs, Room 16, 10.30

COMPANY MEETINGS

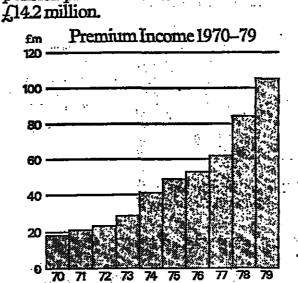
Badulipar Tea, 12 Carlos Place, W, 3.30. City and Commerriace, w., 5.30. City and Commer-cial Investment Trust, 117 Old Broad Street, EC, 12. East Lan-cashire Paper Group, Civic Hall, Thomas Street, Radcliffe, 11.30. Garton Engineering, Park Hall Hotel, Park Drive, Goldthorn Park, Wolverhampton, 12, Lan-Park, Wolverhampton, 12. Lambert Howarth Group, Crest Hotel, Burnley, 12. London Inter-PARLIAMENTARY BUSINESS
House of Commons: Employment Bill, completion of remaining stages. Consideration of Accounts, Room 15, 10.45 am. Public Royal County Hotel, Durham Industry and Trade, Room 15, 10.45 am. Public Royal County Hotel, Durham City, Accounts, Room 15, 4 pm. Employment, Room 15, 4.30 pm. Aldermanbury, EC, 12.

"Prompt service and competitive premium rates allied with a good bonus record were the major factors in attaining excellent figures."

Salient points from the statement for 1979 by the Chairman of Clerical Medical, Douglas Morpeth.

* It is with pleasure that I report, once again, a year of record new annual premiums for the Society; at £20.4 million, the total exceeded by £1.3 million the outstanding result for the previous year when the level was nearly doubled.

* In ordinary life assurance, new annual premiums were £5.6 million, 23 per cent above the level for 1978; new premium income from Personal Pension Contracts exceeded £3.0 million; new annual group pension premiums amounted to



* In April 1979, the Society accepted an invitation to join the Aetna/Generali Network, established to provide worldwide advice and underwriting facilities on Employee Benefits.

* Following good investment results, the rate of terminal bonus payable on death and maturity claims was, on 1st July 1979, increased from £1.50 per cent to £1.75 per cent of sum assured. An increase was also made in the corresponding bonus added on retirement to Personal Pension Contracts.

Offices in: Aberdeen, Ashton-under-Lyne, Belfast, Birmingham, Bradford, Brighton, Bristol, Cambridge, Cardiff, Channel Islands, Chelmsford, Cheltenham, Chester, Colchester, Coventry, Croydon, Dundee, Edinburgh, Exerci, Glasgow, Hall, Inverness, Inswich, Leeds, Leicester, Lincoln, Liverpool, London (2), Lutan, Maidstone, Manchester, Newcastle-upon-Tyne, Norwich, Nottinghiam, Oxford, Plymouth, Portsmouth Presion, Reading, Sheffield, Southampton, Watford, * During 1979 some £97 million was invested in long term assets. £50 million was used for the purchase of fixed interest investments, £25 million for ordinary shares and £19 million for property.

* Consumerism may be new; good service is not. The Society takes the greatest pride in its 155 years of continuous service to the community, during the whole of which time the interests of the consumer have been paramount.

A copy of the 1979 Report and Accounts is available on request from the Society's Secretary.



Clerical Medical & General Life Assurance Society Principal Office: 15 St. James's Square, London SWIY 4LQ Tel: 01-930 5474

Incorporated in England by Act of Parliament with limited liability No. 2193

Bristol Head Office: Narrow Plain, Bristol BS2 0JH Tel: Bristol (0272) 290566

Alpine Holdings

moves ahead and

FURTHER IMPROVEMENT has the upsurge in Dolphin which

been shown in the second half has started 1930 in fine tityle of 1979-90 by Alpine Holdings to Double glassing by contrast has produce annual profits 2843,000 turned down since the financial higher at \$2.76m. But the curvear end and, while Alpine might rent year is expected to be tough claim that the cost structure has

are likely to recover in the tra- Over the medium term, Alphae ditionally stronger-selling periods seems confident of 2 demand re-

later in the year, particularly if covery by the beginning of the there is a reduction in interest next financial year and a success-

have been taken to reduce cost be enough to stimulate the shor-levels substantially

been adapted quickly to a lower

valume outlook, the impact of high interest rates has been actue and the first half as a whole will be disappointing. The

shares have coped well with a

large placing but, by comparison

with the double digit carnings

multiple prevailing last year, the historic p/e is now 7.4. That sug-gests that the price, after a 5p

fall to 93p, is accommodating

the more sombre outlook even if a yield of 8.3 per cent offers no

better than average support.

ful acquisition, where the group generally shows a sure touch,

Unilever

Australia

lever (Australia) Holdings surged by 34 per cent to \$8.56m

in 1879, the result was affected by severe competition in margarine and packaging, and poor profitability is the transport and distribution company. The

return on shareholders' funds

the directors state, is still

A further improvement in earn-ings is expected in the current

The parent company, United

of the UK, received a disidehd of \$55m, against \$25m in the

Agricultural Mortgage Cor-poration has issued £2.5m 16; per cent bonds May 1, 1981, at

Corre Total Total

2.02

BOND ISSUE

inadequate."

expands

lifts dividend

and the first half is likely to be

In the year ended January 31,

1980 all divisions showed pro-

gress, with Dolphin Showers' profit moving up from £543,000 to £1.2m. The dividend for the

year is lifted from 2.764p to

5.25p net with a final of 2.975p.

side in the current year have de-

clined sharply, a trend that the

directors understand is shared:

by the industry. However, sales

Nevertheless, immediate steps

levels substantially.
On the other hand, Dolphin

Showers continues to trade strongly and the directors are

confident of further progress.

Alpine Dreamline (fitted bed room furniture) has also made a

Earnings for 1979-80 are shown

phin Showers based on its trading

periods up to January 31, 1981.

The payment is provisionally estimated at £298,578 which

Alpine would propose to satisfy

es to half in cash and the balance

Alpine is planning to add a

fourth leg to its home improve-

ment activities within the next

three months and it is a reason

able guess that it is aiming at a sector rather less competitive

and selling at a lower unit cost than double glazing. This, the

dominant division in the existing

trading range, did well last year

in a tepid market despite absorb-poration has ing the Tanfield Lea start-up per cent bonds. But its growth was dwarfed by £100 per cent.

DIVIDENDS ANNOUNCED

payment payment

0.8 May 30 2.74 July 1

June 25

June 25

June 20

July 1

. 1.13

207 - 4:02

4.25 1.15

satisfactory start.

in ordinary shares.

comment

Roberts Adlard

Bunzi Puip - ----

English Natl. Inv. ...def

Lvis Gordon
Lake View

Petrocon

Sales by the double glazing

very disappointing."

the quarrying, building and 53.4p (26.4p), and as 32.7p charge), net profit is £2m Bunzi Pulp and Paper have shown housing divisions helped Tarmac (21.9p) fully taxed). (£1.23m). to taxable profits of £38.03m in 1979, a rise of 43 per cent over

Mid-term profits were ahead to £7.49m (£6.25m).

The directors say the group has made a good start overall in 1980, reflecting the improved weather, but in the light of public sector spending cuts they are cautious about the year as a whole. However, further progress is expected.

Overall results for 1979 reflect in part the tight managerial and financial controls introduced a year ago, they add.

Group profit advanced from f31.57m to £45.05m before interest of £7.02m, against £5.1m. Turnover expanded to £836.27m

Pre-interest profits of the quarry products division increased by 25 per cent to £22,41m, on sales of £246.95m (£218.57m). Building profits soared to £10.01m (£4.33m), on turnover up from £114.09m to

A record number of private homes were built by the housing division the directors say, and profits rose by 55 per cent to £9.73m, on sales of £84.48m (£62.11m). Properties profits increased to £2.05m (£1.79m).

On the construction side, the surplus fell from £3.51m to £1.05m, partly due to upprecendented losses on new housing for local authorities and a reluctance by some public sector clients to agree settlements on Turnover amounted to £296,08m (£269.33m).

There was a turnround from a £0.74m loss to a £1.28m profit for the international division, where turnover totalled £71.27m (£73.87m). The newly-formed industrial division slipped from £1.62m to £1.46m, on sales of £7.16m (£5.81m).

The net total dividend is raised by 25.6 per cent to 13.75p Sales this time improved from (10.947p), with a final of 8.75p. E22.65m to £25.4m. After a tax

Trading Profit

Exceptional Item

Profit before Taxation

Profit after Taxation Less: Extraordinary Item

Earnings per Share

Less: Provision for Taxation

£1,023,000 for the equivalent period of last year.

will be subject to the effect of capital allowances and stock relief.

of the year we anticipate we shall be operating approximately 250 stores.

The tax charge of £8.48m

of deferred tax for stock relief £4.94m for 1973 and 1974. Extraordinary debits of £3.55m (£0.15m) included a net loss of £2.83m (£1.15m) on the sale and closure of plants and businesses.

A professional revaluation of freehold and leasehold interests in land, minerals and buildings in the British Isles and Switzer-land has resulted in a surplus of £5.69m which has been added to group reserves.

Fixed assets were up from £112.79m to £122.19m at the year-Cash totalled £9.19m (£9.68m), while short-term debt amounted to £4.66m (£5.15m). Terms loans were higher at £39.43m (£37.58m)

As a result of sales by one of the group's subsidiaries, the Prudential Corporation now holds

Lex Back Page

Advance by Ward

Despite the adverse effects of the transport and engineering tax profits of Ward Brothers Holdings, an unquoted manufacturer of steel-framed buildings completed work, the directors and components, advanced from £1.44m to £1.57m in 1979.

Aided by advance ordering of steel and considerable effort directed towards reducing cost, a satisfactory start has been made to 1980, states Mr. W. Ward, managing director. There was a strong positive cash flow in the first quarter and he expects the group to continue to achieve growth in sales and profits.

KWIK SAVE DISCOUNT GROUP LIMITED

INTERIM STATEMENT

The unaudited results for the 26 weeks ended 1st March, 1980, are:-

During the first half of the year, sales increased by 28%; however operating costs rose at a rate in excess of price inflation and the net profit, before the exceptional item, showed only a small increase. A further factor was an excess of distribution capacity

following the opening of the Newport warehouse in September. 1979, which has now been reduced by the conversion of the former Ceen-Cee distribution depot at Winsford to a bulk storage depot, with a consequent saving in operating costs.

The exceptional item is the balance of the profit arising on the sale of the Swindon warehouse, the whole of the proceeds having now been received.

Trading profit includes £1,322,000 gross rentals from concessionaires in comparison with

The taxation for the half year has been provided at full tax rates which over a full year,

By the 1st March, 1980, we had opened a further 16 stores and closed four; by the end

The Directors have declared an interim dividend of 1.3p per share (1979: 1.1p) on the Ordinary Share Capital, payable on 1st July, 1980, to shareholders on the register on 3rd

26 weeks to

(unaudited)

Capital expenditure in 1979 (£12.16m) has been reduced by amounted to fim and net current affilm, representing the release assets rose from £3.26m to

Progress

self-catering holidays. Ace Beimont International, Britain's biggest caravan and holiday home manufacturer, reports pretax profits up from £695,000 to £750,000 for the half year to February 29, 1980,

Turnover rose 29 per cent to £16.11m as the group increased its market share.

After tax estimated at £390,000 (£362,000), earnings per £1 share leaving retained profit at £256,000 (£134,000). ABI Caravans, a 'subsidiary

company, is investing nearly £2m on developing its industrial property interests. The first £700,000 phase in this two-phase scheme at Beverley, Yorkshire, has been fully let on tenants, who include British Aerospace. The group has also developed reati caravan sales centres at Washington, Tyneside, and at Burstem, Stoke-on-Trent.

Plans are also well advanced for porviding £0.5m all-weather storage facilities for caravan and holiday home production.

WEARRA GROUP CHANGES NAME

Wearra Group has received the consent of the Department of Trade to change its name to David Scott Group. This change takes effect immediately.

52 weeks to

7.489

9.07p

26 weeks to

(unaudited)

3.78p

first half increase the overall profit for the year 1979 is £0.9m better at £13.66m.

The importance of exchange rate movements are emphasised by the directors; at the rate ruling at the start of the year profit would have been £1.3m TODAY higher at £15m.

The profit takes account of an increase from £231,000 to £690,000 in general provision for overseas

ach r		
	1979	1978
	£000	£000
Turnover	229,783	206,250
Trading profit	11,545	10,112
Associates	3,309	3.602
Invest, income	1.195	921
Profit before tax	13,659	12.793
UK tax	1.696	1.182
Overseas tax	2.147	1.827
Assoc, tax	1,420	1.494
Minorities	735	915
Extraord, debit	15 16	330
Available	7.145	7.045
Dividends	1.716	1.434
t includes £1.03m	(£215.00	
organisation costs.	,,	-,

A final dividend of 2.74p is recommended to raise the total from 4.57p to 6.57p net. Excluding extraordinary debits, earnings are shown at 29.3p (28.2p).

The sale of Bunzi and Biach, Vienna, was concluded on April 24 and a provision for a loss of f4.46m has been charged to reserves. The sale has led to borrowings being cut by £18.7m and the gearing ratio being improved from 46 per cent to 10

BOARD MEETINGS Central Manufacturing & Total May

-Aberdeen

The following companies have notified the following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions have the subdivisions are interimed.

Interime Border and Southern Stock-olders Trust, Common Brothers, Finals—Ayrshire Metal Products, S.A.T. Industries, Central and Sheer-wood, Charles Cifford, Confort Hotels International, Gerrard and National Discount, T., C. Harrison, P. C. Henderson, Jessel Toynbee, Scottish Heritable Trust, Smith St. Aubyn, A. G. Stanley, Telephone Bentek, Turriff Corporation, Uniflex, Whatman Reeve Angel.

Akroyd and Smithers

(£53.47m), or 200.2p (204.2p) per tobacco companies. Packaging

comment

Problems in Bunzi's data -services division accelerated during the second half, resulting in a £1m or so loss for the year.
The rapid expansion of this diversification attempt overstretched the division's resources and thought it is being held in check a return to the black may not come within the current year. Cigarette filter profits were slightly down on 1978,

showed a useful improvement though Bunzl Adhesive Materials still losing money. In the paper now sold, made a small profit for the year, against 1978's £289,000 loss. Paper trading had a good year, but a decline in the final quarter has continued through into the current year. The £18.7m reduction in borrowings through the BBAG sale should help this year's profits along. at 15.82p (10.59p) on the actual—the shares slipped 2p to 97p, less than half net worth, where the fully-taxed p/e is 3.8 on a 10 per cent yield. at 15.82p (10.59p) on the actual—tax charge and at 11.79p (8.43p) on a notional 52 per cent charge. Further consideration is payable on the acquisition of Dol. At the end of 1979 share-reflecting the trend towards the fully-taxed p/holders' funds stood at £52.42m more in-house manufacture by 10 per cent yield. the fully-taxed p/e.is 3.8 on a

Pearce (C. H.)
Scottish National Trust

Nineteen Twenty-Eight Inv. Tat. May

Scottish Northern Invest. Trust May

Energy Services profits rise

PROFITS, BEFORE tax, of Yearly earnings are shown at appears to have been growth Energy Services and Electronics. 2.73p (2.22p) per 10p share, and almost across the board. The electric and electronic component manufacturer, improved 0.625p (0.5p) net with a final the Neve studio equipment by 26 per cent from £1.06m to a record £1.33m for 1979. Turn-over rose by 24 per cent to

All activities contributed to results, with the exception of the Neve companies where profits were little changed due to a temporary downturn in the market and production delays with the new range of consoles. The directors say that sales and profits growth is confidently

expected in all activities for 1980, and the adequate finance is available.

payment of 0.375p. After tax of £309.000

(£228,000) and minority losses £4,000 (£4,000 profits), the attributable balance came out at £1.03m against £825,000, of which dividends will absorb £235.000

comment

Energy Services and Electronics has returned impressively from for better days through its links its 1975 trough. The company's with North Sea oil companies. 1978 pre-tax income was up 22 as available.

At the interim stage profits show an increase of 26 per cent 25 p, up 2 p. The fully taxed were ahead from £506,000 to for last year. Pre-tax margins p/e comes to almost 15, which is are up fractionally, and there hardly cheap. per cent and the latest figures

the Neve studio equipment business where television studio equipment sales suffered because of competition from cheaper ranges. But ESE is seeking to remedy this by designing a new range which will be lower priced. Above the line exchange translation may have cost around £75,000 and interest charges were doubled to over £300,000. The group's Lion Oil services sub-sidiary managed to come out of The total net dividend is up a

Poor market for Danish Bacon

ing short-term bank loan of £1 the value of the capital and

A SUBSTANTIAL improvement totalled £7.68m (£8.21m), include the value of the capital to twice in business climate will be necessary for profits to be maintained (nil). in the current year, warn Mr. K. A professional property continuing expansion of trading Pochin's int 0.38 June 30 0.38 g

Bonefeld and Mr. E. Trautmann, revaluation last December by the group and the effects of Tarmac 8.75 July 8 6.96 13.75 10.95 joint chairman of Danish Bacon revealed a pre-tax surplus of inflation. At the year-end, capital Dividends shown pence per share net except where otherwise stated.

Company, in their annual state 18.63m over the net book value, and reserves amounted to Equivalent after allowing for scrip issue 1 On capital in the current year, warn Mr. K.

The group is experiencing the poorest market for its products for some years, they add. This is primarily caused by high interest rates forcing a major destocking process by customers and a general stagnation of business.

Currently the inflation rate of and this, together with the cost of interest on borrowed money, has a considerable effect on profitability. The current period will therefore see some emphasis on economies to contain costs, they say.

Pre-tax profits expanded from F1.04m to £2.01m in 1979, as reported on April 10.

Group fixed assets were up

The

almost £4m a year. Merchant bankers Singer and

Friedlander are arranging an offer for sale of 3m ordinary shares amounting to 25 per cent of the company's equity. Peerless was founded in 1920 by the Jones and Jordan families

of Birmingham. The company's present management are the sons of the founders.

from £5.13m to £7.29m at the The company started life as open on May 15: Other off year-end. Net current assets Peerless Stampings, a manufact details are yet to be finalised.

on May 20 in the shares of the building and gas industries. Peerless, a Birmingham-based This activity now accounts for food prices is lower than that company turning in profits of roughly 15 per cent group profits, of the expenses of the business almost fam a year. the balance coming from the manufacture of plastics, domestic central heating systems, electronic taxi meters, kitchen cabinets and glass and aluminium

castings and pressings. For the year to March 31, 1930, group sales were £33m and profits are estimated to be £3.8m. Net tangible assets at end December, 1979, were £13.5m. Application lists are due to open on May 15: Other offer

directors intend to £14.97m (£13.33m), increase the borrowing powers Meeting. Hyde Park Hotel of the company from three times SW, on May 28 at 11 am. Peerless offer for sale

reserves. This is to meet the

M. J. H. Nightingale & Co. Limited

* Equivalent after allowing for scrip increased by rights and/or acquisition issues.

197	9-80				Gross	Yield	
High	Low						
99	60	Airsprung	66	`	5.7	10.2	· 32
50	20	Armitage and Rhodes	31		3.8	12.3	2
275	185	Bardon Hill	275		13.8	- 5.0	: 🛜
100	80	County Cars 10.7% Pf.	80		.15.2	101	
101.	.63		94			5.3	
447	- 00	t. M th			- 7 .8	20	7.
129	98	Frederick Parker George Blair Jackson Group	101		12.8	3.7	. 4.
156	102	George Blair	107	. == -	15.5	15.4	
. 70	45	Jackson Group	69		* 5.2		194.
.133	1111	J87789 Burmunh •	117		7.2		_ 9.
300 .	242	Robert Jenkins Torday Twinlock Ord	205	- NEO		11.0	- 8-
232	175	Tordey	227		14.3	6.4	9.
34	111	Twinlock Ord	15%	. II.	0.8	0.0	- 54
80	. 70	Twinlock 12% ULS			120		3.
56	23	Unilock Holdings	48		2.6	0.0	10
50	46	Unitock Haldings New	46		2.0	3.4	
· 66	42	Walter Alexander	46	· — -	4.4		9.1
195	138	W. S. Yestes	195	· ·	12,1	4.5 6.2	6. 3.

£'000

16,096

£000

12,951

applies with the requirements of the Council of The Stock Exchange in London.

April 30, 1983

U.S. \$50,000,000

GTB FINANCE N.V.

131/4% Guaranteed Bonds due May 1, 1987

Unconditionally Guaranteed as to Payment of Principal, Premium, if any, and Interest by

PRODUCTS CORPORATION

This issue has been managed by:

Salomon Brothers International

Bank of America International Limited

Banque Bruxelles Lambert S.A.

Banque Nationale de Paris

Blyth Eastman Paine Webber International Ltd.

Commerzbank Aktiengesellschaft

European Banking Company Limited

Orion Bank Limited

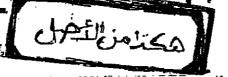
Société Générale de Banque S.A.

Swiss Bank Corporation (Overseas) Limited

S. G. Warburg & Co. Ltd.

Application has been made to The Council of The Stock Exchange for the Bonds to be admitted to the Official List of The Stock Exchange in London subject to the issue of the Bonds. Particulars of the Bonds and of the Issuer and the Guarantor are available in the statistical service of Extel Statistical Services Limited and may be obtained during usual business hours on any weekday (Saturdays and public holidays excepted) up to and including May 7, 1980 from the brokers to the issue:

> Bow Bells House, **Bread Street** London, EC4M SEL



Luis Gordon Group Limited

Sales rose 25% to £16,096,000 Profit before tax rose 164% to £,475,000 Earnings per share rose from 2.85p to 8.19p Net Assets per share rose from 25p to 36p

Comment on results Luis Gordon's main business is the importing and marketing of Domecq Sherry and wines, Graham's Port, Glayva Whisky Liqueur and a range of other wines, liqueurs and spirits.

The preliminary results for 1979 demonstrate continued substantial improvement in sales and profit The growth in sales reflects the Group's success in

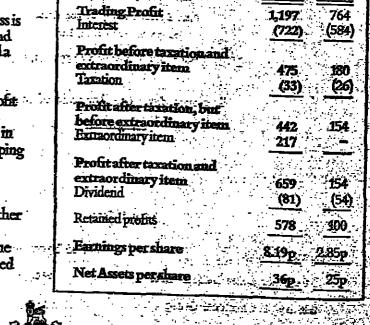
increasing the sales of Domecq Sherry and in developing the sales of its other brands. Profit before taxation was up by 164% despite a substantial rise in interest charges.

Due to the available reliefs, no tax will be paid other than Advance Corporation Tax on the dividend.

Extraordinary Item The repayment during the year of the US\$1,850,000 Subordinated Loan resulted man exchange gain of £217,000.

Dividend A dividend is proposed of 1.5p. per share (1978-1p).

Future prospectsSales and trading profits for the first quarter are alread of the figures achieved in the same period last year and, while the results for the full year will be heavily influenced by the economic climate. and by the level of interest rates, it is hoped that further profit growth will be achieved.



... Annual General Meeting Copies of the Annual Report will be posted to share holders on Friday, 2nd May, 1980 and the Annual General Meeting will take place at the Caxton Hall Caxton Street Landon SW1 on Wednesday, 28th May, 1980 at 12



machinery distributor

THE LISTING of the shares of George Ewer, the motor coach operator, was restored yesterday as the company announced a 5) 32m share offer for Eastern Tractors (Holdings), an unquoted distributor of specialist machin-ery in East Anglia.

Effect's shares were suspended of 494p last week pending an Yanguncement.

The offer, which will involve the issue of 2.65m New Ewer shares, is on the basis of six Ewer shares for each ordinary share of Eastern Tractors.

Ewer says Eastern Tractors has achieved a high level of hirnover (£17.59m for 1978-79). So a relatively small improvement in margins will have a significant effect on profits. The company is condent that margins with the improved and that Park can be improved and that Eastern Tractors will then become "a signicant profit contributor to the enlarged group."

Upon the offer becoming unconditional. Mr. P. Binghamwallis will join the board of
Ewer and two Ewer directors
will join the board of Eastern

in Pre-tax profits of Eastern Trac-meters for 1978/79 were £10,369 in £208,419). At August 31, 1979, Enet attributable assets amounted

Eastern Tractors' shareholders will be entitled to retain a divi-dend of 11.4p for the year to August 31, 1979.

Results for year ended 31st December

Profit before Taxation Profit after Taxation

Net Assets employed

Issued Capital
Per 20p Ordinary Share: Earnings

considered reasonably satisfactory.

may eventually help us in this respect.

LAMBERT HOWARTH

REASONABLY SATISFACTORY RESULTS

Dividends

Extracts from the Statement by

Mr. C. L. Howarth, Chairman

Projection levels and profit margins continue to be restricted

on the one hand by an influx of low priced footwear of foreign manufacture, and on the other by increasing produc-

tion costs resulting from constantly rising raw material costs. In the face of these problems we feel our results can be

The Future

Orders are coming in reasonably well and whilst it is too

early to make any accurate forecast we have every expecta-tion of being able to reach a production level at least equal

to that achieved during 1979. Foreign competition is still a

cause for concern and we are hoping that Government action

The Group is a substantial supplier of footwear to Marks &

Spencer Limited and also to leading wholesale and multiple

chains throughout the country and prominent mail order groups. Part of its production is sold through wholesalers

under the registered trade mark "Osbornia" and a significant portion of slipper production carries the "Gannex" brand for which the Group has sole distribution rights.

LAMBERT HOWARTH GROUP LIMITED

BURNLEY & ROSSENDALE, LANCASHIRE—ISLE OF MAN

dividence Ewer offers Clifford's Dairies rejects £10m Unigate approach

Unigate met with a stiff rejection from Clifford's Dairles yesterday after putting in a £10m to bid for the Berkshire-based one share for each non-voting of 9.25m Unigate shares and each non-voting

It already owns 3.9 per cent

conditional on Clifford's agree- surprised at Clifford's rejection

unit.

There is also a cash alternative of the voting shares and 5.06 per cent of the non-voting capital, but is up against the weight of the family shareholdings in Clifford's in its takeover attempt.

Unigate, which has a strong halance cheef after the gale of the price of the family shareholdings in Clifford's in its takeover attempt.

Unigate, which has a strong halance cheef after the gale of the clifford family holds.

balance sheet after the sale of its creameries to the Milk Marketing Board, said it is not strongly represented in the Berkshire and Oxfordshire area where Clifford's does most of its business.

The group is making its bid county Dairies to Clifford's for £3.7m in 1978, having some 20 per cent. Mr. John Clement, Unigate's chairman, said he was not greatly conditional on Clifford's pages.

payments of £252,300. There are 1.75m voting shares in issue and 7.98m "A" non-voting.

Clifford's boosted its pre-tax profits last year by 53 per cent to £2.28. although this would have been 28 per cent if the new acquisition had been included for the whole of the previous vear. On a CCA hasis the taxable surplus was reduced to £1.81m (£1.16m).

In Clifford's annual report, Mr. Gordon Clifford, the chairman, says first quarter trading was encouraging and the company hopes for a satisfactory year.

When announcing the one-forfew days ago. But Clifford's said yesterday it intend to do so.

Unigate is offering one of its safety age, would have to when announcing the one-for-four rights issue, the comonny of the cash offer would mean that Unigate, on a new fruit juice factory. It which is advised by J. Henry was also on the lookout for private dairy businesses to acquire.

Wilson Bros. recommends share and cash terms from Fine Art

Brothers, another greeting cards element of the offer. concern. The group already owns

wilson's directors have recommended the offer.

Fine Art is offering one of its own shares, which yesterday closed at 551p, down 3p, for every three Wilson shares plus 56p in cash. This places a value

1978

£'000 14,110 645 318 3,616 600

greeting cards publisher, has Fine Art intends to offer a loan mounted a £4.3m bid for Wilson note alternative for the cash

ficially holding 660,205 shares (representing 5.7 per cent) have indicated that they intend to accept the offer in respect of their holdings.

Full acceptance of the offer will involve the issue of 2,902,084 new Fine Art shares and a pay-

which will be declared and become payable on the offer becoming unconditional.

Mr. F. R. Kerry, chairman of Fine Art, said yesterday that his group had been talking to Wilson The combined group should achieve a lot of cost savings."

In its last reported financial year, ending March 1979, Fine Art declared pre-tax profits of £5.5m. Wilson's taxable profits for the same period were £1.02m.

At the halfway stage in the year ending March 31, 1980, Fine Art reported pre-tax profits of ment of some £1.62m in cash.

Wilson shareholders will be while Wilson's pre-tax profits entitled to receive and retain a fell from £562,276 to £345,449.

Merger can bring **Bowring benefits**

for C. T. Bowring has been despatched.

Marsh is offering shares and £93 cash for every 100 Bowring ordinary shares. For each preference Marsh is offering 87p cash; for every £100 10 per cent convertible stock £35 of Marsh shares and £134.85 cash; and for every £100 5 per cent convertible stock three shares and £93 cash. In addition ordinary holders of

aceptable valuation of the Bow-

On completion of the bid four directors of Bowring are to jin the Marsh Board. They are Mr. G. A. Coke, Mr. I. R. Binney, Mr. E. R. H. Bowring, and Mr. Peter Bowring. Three Marsh directors will join Bowring. They are:
Mr. John Regan, chairman, Mr.
Robert Newhouse. Jr., president,
and Mr. Bruce Schnitzer, vicepresident and chief financial

officer.

Mr. Bowring tells shareholders that for over 70 years Bowring

The offer document detailing has had a close business relationthe £244m bid by Marsh and ship with Marsh and McLennan, McLennan of the U.S., the which places a significant volume world's largest insurance broker, of insurance and reinsurance business in the London market. of which a substantial propor-

tion is handled by Bowring.
"In spite of the disagreements which have occurred during the past few months, your directors believe that this relationship can be developed in the future to bring considerable benefits to the merged group, of which Bowring will be a major constituent,"
Mr. Bowring says.
The document explains the

Bowring will be entitled to arrangements which Marsh has receive the final dividend of 4.53. made with Lloyd's over imple.

Mr. Peter Bowring, chairman. mentation of the Lloyd's 20 per says that the offers, after the cent rule. In April 1978 Lloyd's VEB C DM. 40 14 1.50 stated that no outside insurance interest may normally hold more ring Group." The directors are than 20 per cent of the equity recommending them. of a broker seeking recognition of a broker seeking recognition at Ldoyd's,

Lloyd's had said that if, after acquiring the insurance broking interests of Bowring, Marsh transferred 75 per cent of the shares in Bowring's Lloyd's insurance broking subsidiaries another owner acceptable to Lloyd's by the end of 1980" Lloyd's would have no objec-

agreement with Lloyd's in prin-ciple under which Marsh will be permitted to comply with such arrangements in a manner which substantially retains the economic benefits of owning such subsidiaries and Bowring's loyd's underwriting agency sub sidiaries, and in a manner which permits Marsh and McLennan to include such economic benefits in its reported consolidated inancial - statements."

On the merchant bank Singer and Friedlander, Marsh and Bowring have discussed their mutual wish that Singer should retain its membership of the Accepting Houses Committee. Marsh and Bowring intend explore, in consultation with the Committee and the relevant authorities, the disposal to third parties (which may include members of the present management of Singer) all o part of the capital of Singer presently owned by Bowring.

TDG ACQUIRES CARRINGTON STEEL

Square Grip, the steel reinforcement subsidiary of Transport Development Group, has acquired for £285,000 cash the wire producing business and assets of Carrington Steel Wire Company.

The assets include a freehold

site of about five acres near Sheffield with factory, plant and machinery and offices. _

ASSOCIATE DEALS
On April 25, Hoare Govett
bought 40,000 S. Hoffnung and
Co. at 88p and £1,174,884 Hoffnung 12 per cent convertible unsecured loan stock 1985-90 at £100} on behalf of Burns Philp and Co. In total, Burns Philp has now purchased 3,297,885 ordinary and £1,174,884 12 per cent convertible unsecured loan stock 1985-90.

ı	H	SPAIN		
Į	1		Price	
ı	ł	April 29	%	+0
ŀ	1	Banco Bilban	208	-2
·I	1 1	Banco Central	224	-2
1	li	Banco Exterior	206	
ı	1	Banco Hispano	205	
.l	•	Banco Ind. Cat.	125.	
ł	11	Ranco Madrid	143	-3
ł	H	Banco Santander	247	-1
1	1 (Banco Urquijo	140	-1
ı	H	Banco Vizcaya	215	-1
1	•	Banco Zaregoza	200	
1	B ł	Dragados	90	-3
ł	1	Espanola Zinc	60	_
1	ł	Fecss	58.7	
ı		Gal. Preciados	27	
1		Hidrold	64.2	+0
ı			58.5	
ſ	I i	iberduero	102	-ź
1	4 .	Petroleos	59	
J	ŧ I	Petroliber	107	
H	,	Sogefisa	54	
7		Telefonica	83 2	

S. Pearson to make over £20m bid for Fairey Holdings

THE S. Pearson group confirmed yesterday that it would make an offer of over £20m for Fairey Holdings, the engineering com-pany which became part of the National Enterprise Board after being rescued from receivership

two years ago.

"We are going to put in a bid," said Mr. Peter Medd, a member of the board of the diversified publishing and china products group whose Doulton arbeidiage of which he is chair. subsidiary, of which he is chair-man, will make the actual

He declined to give any details ahead of the formal offer, to be made this morning on the final day that bids have to be in. But he agreed that it would have to exceed the £19.5m in cash already offered by Hambros Bank and thus be at least £20m.

Also considering whether to bid for Fairey yesterday was Thomas Tilling, the industrial group with wide-ranging interests which have recently been extended by several U.S. acquisitions tions.
"We're looking at it," commented Mr. Patrick Meaney,
Tilling's chief executive. By
yesterday evening, however, the

company had not come to a final Once all the various bids are and Co.

to make its proposal to Sir Keith Joseph, the Secretary of State for Industry. Fairey itself clearly prefers the Hambros approach which would provide for an eventual public flotation and sales of shares to employees.

The group's management does not appear to relish the idea of being taken over by a single company and becoming a division of a larger group.

Mr. Medd said he believed that pre-tax profits were just over £5m last year, would create a better balance of activities with-in Doulton, which is involved in engineering as well as china and

"I think that Fairey is a highly technological company with considerable potential in nuclear power and defence work and in military, and civil avia-tion," he said.

JOHN BROWN

SHAREHOLDERS OF Leesons Corporation have approved a merger proposal whereby the company will become a wholly-owned subsidiary of John Brown

EUROPEAN OPTIONS EXCHANGE .23,10 F.63

.18,70 .151,80 \$55 F.105 F.110 F.120 F.105 \$60, 10 -5 25 10 1 5 - 1 - 1 \$525a F.113.80 10,50 5,80 25 15 94 DM132 TOTAL VOLUME IN CONTRACTS 1073

CLIFFORD'S

ANOTHER RECORD YEAR

The Chairman, Mr. Gordon Clifford, in his statement says

I am pleased to report another successful year in all parts of the business. Turnover is up 43% to £41.6 million and profits up 53% to £2.3 million. We have increased the dividend by 41%, partly to compensate for several years of governmental restrictions which ended last year.

Rights Issue

In order to help towards financing further building work and new plant the directors propose to raise approximately £1.5 million by a 1 for 4 rights issue.

It is too early to forecast the results for the current year; however, trading levels for the first quarter are encouraging.

Four Years' Progr	ess			
£'006	1979	1978	1977	1976
Turnover	41,638	29,119	<u>19,456</u>	<u>17,057</u>
Profit before Taxation	2,279	1.490	879	945
Taxation	548	569	245	332
Profit after Taxation	1,731	921	634	613
Dividend —				
per share times covered	3.0p 5.9	2.128p 4.5	1.906p 5.4	1.733p 5.8
Earnings per share	17.88p	11.70р	10.36p	10.00p
		·		

Announcement by The Association of **Investment Trust Companies**

Investment Trust Table Correction

year to 31st December 1979 may be obtained from The Secretary, Clifford's Dairies Ltd, Western Rd, Bracknell, Berkshire, RG12 1QA.

In the Table published on page 25 on Saturday, 26th April, 1980, the headings to the columns were incorrectly stated and should have read:-

Cols. 1-5 As at the close of business on Monday, 21st April, 1980.

Cols. 6-9 Geographical spread at 31st March, 1980. Col. 10 Total return over 5 years to 31st March, 1980.

Overseas

Highlights from the Statement of the Chairman, Financial Highlights Mr. Leslie Fletcher, to the shareholders of Glynwed Limited.

 Despite the effects of the road haulage dispute and the engineering strike Group profits, before tax, were a record £18.684 million

 Success of Building & Consumer Products Divisions and overseas companies are major factors in profits increase.

 Directors recommend same net final dividend as 1978.

 The base has been laid for the positive growth of the company.

_		
Turnover	345,521	316,437
Group trading profit	23,385	19,978
Interest charges	4,701	3,898
Group profit before taxation	18,68 4	16,080
Group profit attributable to ordinary shareholders Ordinary dividends	11,061 5,974	10,85 8 5,973
Group profit retained	5,087	4,685
Operating assets employed	118,728	105,052
Capital expenditure	9,001	8,101
Depreciation	4,904	4,413
Earnings per ordinary share b	asic 19.29p llydiluted 18.87p	1781p 17 38 p
Dividends per ordinary share	9.15p	9.15p
	-	

£000

000£

1979 Report & Accounts.

To the Secretary, Glynwed Limited, Headland House, New Coventry Road, Sheldon, Birmingham B263AZ. Please send me a copy of the

GLYNWED Address

ENTE NAZIONALE PER L'ENERGIA ELETTRICA

U.S. \$ 200,000,000

Floating Rate Debentures due 1987, these Debentures may be converted, at the holders' option, into

10 % Fixed Rate Debentures due 1995

Guaranteed by the Republic of Italy

Société Générale

Banque Broxelles Lambert S.A.

Bank of Tokyo International Limited Banque Nationale de Paris

Barcleys International Groun

Kowait International Investment Co. s.a.k.

Morgan Guaranty Ltd.

Société Générale de Banque S.A.

AURORA 1979 RESULTS IN BRIEF

	19/9	1978
	£000	£000
Sales	103,489	66,624
Trading profit	7,171	5,654
Profit before taxation	3,801	4,311
Dividends per share	6.16p	5.90p
Earnings per share	11.29p	16.90p
•		

The Chairman, Mr. Robert Atkinson reports:

- Results demonstrate resilience under unfavourable conditions
- Gross dividend maintained
- Considerable progress towards integration of newly-acquired Edgar Allen Balfour Limited
- Further strengthening of the Group Board
- Confidence in ability of management to surmount uncertain trading and economic conditions

Copies of the Report and Accounts will be available shortly from The Group Secretary, Aurora Holdings Limited, Nether Lane, Ecclesfield, SHEFFIELD S30 3TR

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Holdings

The vehicle distribution and engineering group

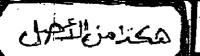
OPERATING PROFIT UP 28% TO £1.85M

Points from the Review of the Chairman, Mr. Thomas Kenny, F.C.A.:

- A year of considerable change substantial increases in share capital and reserves.
- Group turnover advances 26% to £75.26M.
- Growing profit contribution by engineering companies.
- Operating profits the highest the Group has ever achieved.

Copies of Report and Accounts are available from the Secretary

Dorada Holdings Ltd · Dorada House · Dorking · Surrey RH4 1RB



MINING NEWS

De Beers still expects a 'satisfactory' year

BY KENNETH MARSTON, MINING EDITOR

of uncut stones by the Central the past." Selling Organisation have been higher so far in 1980 and the current level of them "is likely to be maintained for the rest of

He considers that "While the industry is not without its problems, it is on the whole satis-factory and this, taken together with our growing diversified holdings in other businesses, gives good reason to expect satisfactory results for the present

In a nutshell, demand remains strong for the larger gem diamonds of over one carat, but smaller sizes and high interest. hold stocks at the cutting centres
As far as the industrial As far as the industrial diamonds are concerned, the 29.9 per cent—when a full offer group's synthetic diamond plants are taking advantage of an increased demand for their product as a result of a fall in the supply of the tiny natural the supply of the tiny natural the supply of the tiny natural that the supply of the supply of the tiny natural that the supply of the tiny natural that the supply of the s

with the De Beers report is his emphasis on the fact that with higher costs and reduced sales

ALTHOUGH THE fire has gone Beers is now "very much more increased by Ri54m to R409m out of the market for diamonds, than a diamond mining company. On the other hand, taxed Mr. Harry Oppenheimer, chair- It has therefore achieved a man of De Beers says that sales greater solidarity than ever in

The net market value of its investments—outside the diamond industry—last year rather more than doubled to R2.28bn (£1.27bn) and benefitted from the acquisition of a further 5 per cent in Anglo American Corporation (making 38.5 per cent), a further 3 per cent in Minerals (making almost 16 per cent) and and Resources Corporation (making almost 16 per cent) and just under 5 per cent of Consolidated Gold Fields.

Following the sharemarket operation in February this year, De Beers increased its stake in Gold Fields to 25 per cent and sold half of it to Anglo American. As already reported, the ates are making it expensive to Anglo group has stated that it does not intend to increase its holding in Gold Fields to beyond

But a feature of Mr. Oppenheimer's latest annual statement diamond account falling by with the De Beers report is bis
R125m to R831m in line splore statement and statement are statement. in th diamond market resulted in its "massive" investments out-from old stocks of diamonds held side the diamond industry De at low prices; diamond stocks

Leap in MIM earnings

Adams, chairman, tells shareholders in his annual review.
He says there are no indicational business of shop and other

tions to give rise to optimism property, says Mr. Trevor Pass-

The chairman explains that holders that, in 1980, a major

with the economic downturn and part of Winston's cash resources the current high level of interest will be employed on the building

rates, there is a very competi-tive trading scene which is not expected in time for other

resulting in severe pressure on than a very modest part of the margins."

resulting in severe pressure on than a very modest part of the eventual rental to be realised

As reported on April 3, tax-during this year. As a result, ble profits rose by 16 per tent revenue profit may be adversely

from £4.4m to £8.1m. The divi-dend is boosted to 3p (0.5p) per for 1980 at 1.75p net.

division

affected.

possible to forecast the final out- statement.

able profits rose by 16 per tent to £2.71m (£2.34m) for 1979,

despite an increase in charges

automotive

suffered from delay in fulfilling

outstanding orders for the new Ford vehicles, but the supply

position improved considerably later in the year. All divisions in the Ford dealerships traded successfully, Mr. Adams states.

In September, the group acquired its first Vauxhall dealership at Scotts Corner. Harlesden London

The group's fleet of passenger

and commercial vehicles, in the

leasing and rental sector, con-tinues to increase; the acquisi-

tion in December of Polar Con-tract Motoring, for £715,000, has added a further 1,500 to the

balance sheet shows fixed assets of £10.27m (£7.05m) and net

current liabilities of £252,947 compared with assets of £1.18m

—secured bank overdraft was £4.63m (£891,410).

Eagle Star has advanced £2.3m

to Winston Estates, the property-company, for purchases of indus-

trial and warehouse property in

Blackpool and Oldham. The loans is in the form of a £2.3m 11.9

Meeting, Birmingham, May 28, at 2.30 pm.

Warning by

Winston

As at December 31,

Harlesden, London,

come for the year.

base metals mining group, had a spectacular jump in earnings during the first three quarters of

Forth from Sydney.

Boosted by higher metal prices, net profits rose to A\$172.8m (£84.8m) during the 40 weeks to April 8 from A\$66.2m in the same period of 1978-79. This puts MIM on course for the highest annual profits ever earned by an Australian company.

But MIM is cautious about

cts, noting lower speculative interest in precious metals and the fall of the copper price. Higher interest rates and a likely shares were 5p lower at 197p, economic downturn will have a while North Broken Hill shares economic downturn will have a while North Bro depressing influence on metal rose 5p to 147p.

Similar factors could held back the earnings growth of North Broken Hill, the New South Wales mining and investment house. But its latest figures show the effect of higher prices. Net profits in the nine months to March were A\$26.78m (£13.1m) against A\$11.85m in the same period of 1978-79.

A\$14.92m, of which A\$5.9m came in the most recent quarter, from AS6m, and investment income climbed to A\$11.74m from

In London yesterday MIM

Hanger expecting midyear fall

PROFITS of Hanger Investments per cent first mortgage debenture considerable production difficul-

for the first half of 1980 are stock 2004, issued by Winston to ties during the year, the gravity likely to be materially lower than those of last year, Mr. P. D. Adams, chairman, tells share
This is the first time that Win
This is the first time that Win
This is the first time that Win-

eventual rental to be realised

However, the directors intend

Pre-tax profit last year was £292,000, against £214,000, as reported on March 21.

Group fixed assets were up from f4.22m to £5.35m at balance date. Current assets totalled £1.62m (£0.34m), including

ing bank balances and each of

£1.5m (£85.079). Current liabili-

Second half

loss hits

Petrocon

amounted to £577,711

investment income increased by R78m to R312m mainly because of high revenue from gold earnings reflected in dividends from Angle American. Other major dividend increases were provided by the holdings in the AECI Botswana Mining.

Even so, diamonds will continue to be the mainstay of this which had end-year cents (465p) per share com-pared with R1.9bn a year pre-viously; this understates the true worth of the group in that it cannot reflect today's full inflated costs of establishing the diamond mining operations and

its search for new mines parti-cularly in Namibia where the the hill "—and expects to raise annual production to 19m carats in 1985; last year it rose to just on 14m carats from 12m carats comping from ORAPA mine in

Looking to current year's pros-U.S. economy—the world's major market for diamonds—and this is not very good at the moment. But the group will have the full year's benefit of the average diamond price increases of 13 per cent announced last September and a subsequent 12 per cent in February of this

Non-diamond interests may well provide a higher revenueseems that De Beers profits will show a useful, but not exciting, rise when inflation is taken into

Depending on the further leave room for a modest increase in the 721 cents (40.3p) dividend rate, but the interim due in August should not be taken as a guide to the total because the group intends to reduce the disparity between the sizes of interim and final dividends. The shares were 378p in London yes

when group profits improved from £236,444 to £309,000. Mr. Hodgson says that several

countries plan substantial investment in new nuclear power plant and Ashford should benefit

Ham Baker's results were adversely affected by the

engineers' strike and the com-

pany was unable to repeat its record output of the first half.

Oil service interests produced

good results and these are ex-pected to continue through 1980.

Swire Petrocon, an associate in south-east Asia, performed parti-

accordingly.

Luis Gordon jumps by 160% and sees more growth

ON TURNOVER up by nearly 25 ember 32 1979, amounted to per cent from £12.95m to £1.95m (£1.37m) representing per cent from £12.95m to £1.95m (£1.35m) representing £16.1m, taxable profits of Lois net assets per share of 36p (25p). Gordon Group, sherries, wines and spirits importer and distributor, jumped by 160 per cent to butor, jumped by 160 per cent to hithmich the UK sherry market.

From earnings of 8.19n (2.85p) per 10p share the dividend is boosted to 1.5p (1p) net.

Turnover growth (volume increase was 16 per cent) reflects

the increase in Domecr. Sherry sales, the directors state, and in developing sales of the group's other brands.

say that the economic climate will have a heavy influence on

£110,000. Profit before tax
Tax
Net profit
Extraord, creditf
Available

£475,008 for 1979, compared with Although the UK sherry market £180,000.

From earnings of 8.19r (2.85p) year field Gordon enjoyed a 56.7 profit to El.2m. Domeco sherries. of group turpover and profit Other lines of port Scotch group results. However, trading in 19/5, the group is now noostperformance so far is shead of ling its promotion budgets to
the same period in 1978 and they build market share. Interest
feel that the duty increases are costs remain high as basic
perhaps less than espected in borrowings not including loans
some quarters, so it is hoped to pay Government duty in
that a further growth in profits advance are more than double
will be achieved.

At halfway, the seasonal loss issue is unlikely until the Domeco
was reduced from £286,000 to franchise is renewed in Septemfile.000. to 56 resterday, making the yield 3.9 per cent, while the fully taxed pie is 12.9.

Saturday's summary of the week's company news contained There was an extraordinary McCleery I Amie. However, a credit of £217,000 for the year, bill is conditional upon the being an exchange gain resulting. McCleery board's agreement, from repayment of the group's which has not been given, so no U.S.\$1.85m subordinated loan. formal offer has, as yet, been Characteristics and the conditional offer has as yet, been

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SIMON ENG

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Service King

Valve actuators, instrumentation design and engineering,

1979 results	
£m 1979	1978
Turnover 19.18	18,85
Profit before taxation 3.18	3.30
Taxation 1.53	1.44
Profit after taxation 2.1.65	1.86
Extraordinary items, etc	. 0.16
Profit after extraordinary ftems 1.33	1.70
Dividends 0.52	0.28
Retained in business 0.81	1.42
Earnings per ordinary share 8.1p	9.7p
Dividend per ordinary strare 2.00p	1.31p

Extracts from review by the Chairman, Jeremy Fry:

Group turnover increased marginally in 1979 and pre-tax, profit was 3.6% lower. The Controls Division correctly anticipated the difficulties to be faced in introducing three new product ranges into a highly competitive global market when the gound is strong. In these difficult conditions this Division's results were commendable, Rotork Marine moved strongly into profit.

The new product introductions in Controls and a sustained position in Manne are two good reasons for the Group to be looking for an encouraging year in 1980. However, we must retain a degree of caution. The continuing strength of sterling against all the major currencies in which our export-based Group trades is of particular concern.

Copies of the annual report are available from The Secretary, Rotork Limited, Bath BA1 3JQ.

rotork

loss per share of 16 cents (1 cent earnings). LOSS of £156,412 in the second

half against a profit of £10,801, resulted in pre-tax profits of Petrocon Group falling from £246,801 to £152,588 for 1979 as a whole. There is no final dividend, against 3.3601p last time.

A maintained interim dividend of 1.514p has been paid.

The board does not anticipate

any material improvement in trading results until the second six months of the current year.

Mr. Peter Hodgson, the chairman, says the main reason for

the setback was poor performances at Ashford Controls, where there was a loss of £447,000, after a substantial provision against company experienced

RESULTS AND ACCOUNTS IN BRIEF

REGIONAL INVESTMENT TRUST -- Pre-HEGIONAL INVESTMENT TRUST — Pra-tax revenue for helf-year to March 31, 1980, £38,624 (£52,071): tax £17,856 (£26,293). Net asset value per 10p share 62p (70.1p at September 30, 1979). Board anticipates that pre-tax revenue for the second helf will be similar to that of the first. Ourstanding leans drawn under the company's loens drawn under the company's multi-currancy loan facility have been repeid by purchasing dollars with sterling mainly provided by the sale

of British Government stocks.

BELGRAVE (BLACKHEATH) (forger, machinist, bolt and nut manufacturer)
—Turnover for year to January 31, 1980, £3.82m (£3.86m); pre-tex profit £92,169 (loss £55,310); tax £15,707 (credit £30,179). Dividend 1.5p (1p).

GLASGOW: PAVILION—No dividend (seme) for year to October 31, 1979.
Turnover £447,736 (£450,680). Loss £7.093 (loss £17,269). No tax (same).
H. GOLDMAN (wholegaler of hardware, clocks and watches)—Dividend for year to October 31, 1979, 0.7p (1p) net. Sales £3,64m (£3,18m). Loss £95,947 (£16,760) before tax £371 (£14,000). Loss per 10p share 3,774p (0.849p). Directors say adverse market conditions continued in second half. As result, sales targets not met but improvement seen for current year.

ATLANTA, BALTIMORE AND CHICAGO

(E197,000 (£109,000). Attributable

(EGIONAL INVESTMENT TRUST — Pre
(EX revenue for helf-your to March 31

(E17,000 (£19,000). extraordinary debits

(E38,624 (£52,071): tax £17,866

(E53,000 (£2,000). Final dividend 0.93p net making 1.42p (same). Board states that the recently annonunced closure will make a substantial reduction in

will make a substantial reduction in borrowings and interest charges.

SCOTTISH ONTARIO INVESTMENT COMPANY—Final dividend 2.15p, making 3.15p (2.4p) for the year ended March 31, 1980. Gross revenue £1.62m (£1.3m). Earnings (including 0.43p (nil) non-recurring income 3.41p (2.48p) per share. Net asset value—prior charges at part 78.8p (\$3.0p), prior charges at market value 80.2p (\$4.4p). (94.4p).
UU TEXTILES—Turngver

months to December 28, 1978, £3.31m (22.57m) Triding profit £14.200 (£73.800) Finance charges £98,000 (£49.300) Loss £82,700 (profit £24.500). (£49,300). Loss £82,700 (profit £24,500). Extraordinary debit £9,100 (£4,900). Loss per 250 share 3.65p (earnings 1.01p). No tax. No interim (same). On April 14 contracts exchanged for sale of 9/17 Turner Street, London, for estimated £242,000 net against book value of £298,810 et, June 29, 1979. Continuing re-organisation plus high lavel of borrowings affected results. Two freshold properties recently sold and one currently being gold. In effort to reduce borrowings. Effects of this will have little effect on results for mprovement seen for current year.
P. AND W. MACIEILAN (engineering, steel stockholding)—Turnover for will have little affect on rest profit £134,000 (£153,000), pre-tsx profit £134,000 (£163,000) after interest

Heavy losses for Blackwood Hodge (Canada) Despite a tax credit up from

Hodge (Canada), 'a subsidiary of Blackwood Hodge, distributor of earth moving equipment, reports a loss of \$399,000 (profit (\$24,000) in the three months to March 31, 1980.

Turvover was higher at \$27.35m (\$26.55m). There is a

ACE BELMONT INTERNATIONAL LIMITED

Interim Report for the six months ended 29th February 1980 UNAUDITED TRADING RESULTS

	6 months ended - 29.2.1980	6 months ended 28.2.1979
	£000's	£000's
Sales to external customers	16,119	12,484
Group trading profit	865	712
Bank interest payable	115	17
Group profit before taxation	750	695
Estimated taxation	390	362
Group profit after taxation	360	333
Extraordinary item	Tarangan di na mga ng Pandan 	95
Group profit after taxation attributable to members of the Company	P. C. S. Landing	
Preference dividend of 5p per share	360 104	238 104
Profit retained	256	170
Earnings per share	12.19	10,90

• Group sales up 29% • Group trading profit up 21 10 100 SWINEMOOR LANE, BEVERLEY, NORTH HUMBERSTOE, 1984 7-01.1

o and	Food engineering; manufacturing; process plant contracting; merc	:hanting & sto	rage; oil service
More	Preliminary Announcement for the year ended	31 Decembe	er 1979
more grow	GROUP RESULTS	1979 £000	1978 £000
- n	Turnover Trading Profit	323,904	235,601
	Interest receivable less payable	648 1.634	14,865 627 1,114
	Profit before tax and exchange differences	/E E // 71	16,606 (7,070)
	Profit after tax and before exchange differences. Minority interests.	12,997 {1,137}	9,536
	b Profit before exchange differences, attributable		8,855 (348)
\$10.00 mg	Exchange differences Trofft after exchange differences	11,322	8,507
	pividends paid: Preference shares: 6% (now 4.2% plus tay credit)	39	39
	Interim 4p per share (1978 – 3p). Additional final 1977: 0.0767p per share	994	621 16
	Ordinary shares of 25p each: Final 7.33p per share (1978 – 6.0625p)	1,821	1,256
	Profit retained	2,854 8,468	1,932 6,575
		11,322	8,507
At a	Earnings per ordinary share: List Before exchange differences After exchange differences	50.7p 48.4p	41.8p 40.1p
YOU	ANALISIS BY ACTIVITY	1979 £000	1978 £000
	Flumover State Food engineering Manufacturing Process plant contracting	67.904 48,460 123,113	58,001 43,485 73,918
	Merchanting and storage or Oilservices	76,676 7,751	60,197
-	- more	323,904	235,601
in imita	Profit 5 Seed and inserting	E 272	F 000

Food engineering Manufacturing Process plant contracting Merchanting and storage Oil services	5,273 1,692 3,637 5,972 552	5,322 3,803 3,175 3,059	
Central expenses normal	17,126 771 93	15,359 664 (170)	•
Trading profit	16,262 648 1,634	14,865 627 1,114	
	18,544	16,606	

NOTES

Accounting policies The group's accounting policies are unchanged from hose of 1978.

Limited

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1.5 * **

follows:

Depreciation of £4,296,000 (1978 £3,191,000) has been reed in arriving at trading profit.

The tax charge for 1979 has been reduced by £1,773,000 in respect of stock relief made permanent by the Finance (No. 2) Act 1979, and is comprised as

£000 £000 Simon Engineering and its subsidiaries 5,578 6,914 Associated companies 152 Prioryearadjustments (183) (80) 5,547 *7,070*

4. Ordinary dividend The directors recommend a final dividend of 7.33p per ordinary share, making a total dividend for the year of 11.33p per ordinary share (gross equivalent 16.1857p, 1978 13.1422p). The final dividend, if confirmed at the Annual General Meeting to be held on 16 June 1980 will be paid on 1 July 1980 to members registered on 3 June 1980.

5. Earnings per share Earnings per share are calculated by dividing earnings of £11,821,000 before and £11,283,000 after exchange differences (1978 £8,816,000 and £8,468,000) by the

weighted average number of shares in issue during the year, adjusted in accordance with accounting standard SSAP 3. 1978 comparatives have been adjusted by the appropriate factor, following the rights issue.

The changes in the balance sheet reflect the rights issue and the acquisitions made during the year:

Fixed assets and associated companies	1979 £m 48.9 24.3 13.9	1978 £m 41.4 28.3 0.4
_	87.1	70. I
Shareholders' funds Minority interests Loan capital. Provision for pensions Future and deferred taxation	57.0 6.9 9.4 0.8 - 13.0	41.6 6.4 9.8 0.8 11.5

87.1 70.1

7. The future We shall not be immune from the effects of the more depressed UK and world economic trading conditions in the immediate future. Nonetheless we have been deliberately widening our base of international operations and markets over the past few years, which provides some protection in the present and a secure basis for the future.

After six years of profit improvement we shall strive to maintain this record in the current year. 28 April 1980 SIMON ENGINEERING LIMITED CHEADLE HEATH STOCKPORT CHESHIRE SK3 ORT

DENKI KAGAKU KOGYO KABUSHIKI KAISHA

U.S.\$15,000,000

11 PER CENT. CONVERTIBLE BONDS 1990

ISSUE PRICE 100 PER CENE

The Nikko Securities Co., (Europe) Ltd.

J. Henry Schroder Wagg & Co. Limited

Merrill Lynch International & Co.

Banque de Paris et des Pays-Bas

Dai-Ichi Kangyo International Limited

Westdeutsche Landesbank Girozentrale

Bank Brussel Lambert N.V.

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James Capel & Co.

Cazenove & Co. (Overseas)

Baring Brothers & Co., Limited Dai-ichi Securities Co, Ltd.

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Nippon Kangyo Kakumaru (Europe) Limited

Nomura Europe NV Pierson, Heldring & Pierson NV Sanyo Securities Co. Ltd. Singer & Priedlander Limited - Vickers de Costa International Ltd. Vannaichi International (Europe)

APPOINTMENTS

New directors for Pirelli

Mr. F. Pittini has joined the Board of PIRELLI LIMITED in place of Mr. A. Rossetti. Mr. Pittini is also chairman and managing director of Industrie Pirelli SpA. Mr. R. F. Earl, who became sales director, tyres, at the beginning of this year, has also been appointed to the Board of Pirelli Limited Mr. Earl joined the company in 1950 and was formerly managing director of Central Tyre Company, a sub-

A. W. Frost has been appointed chairman of C. E. HEATH AND CO. (MARINE).

Mr. Fred Thomas has been appointed managing director of INTERNATIONAL CARRIERS, recently formed by National Carriers and International Ex-press. Mr. Thomas remains a director of International Express.

Professor Roland Smith has been elected chairman of TSMPLE BAR INVESTMENT TRUST in succession to the late Mr. A. F. Roger.

Mr. David Ambrose has joined the partnership of SCOTT GOFF, HANCOCK AND CO., stock-

Mr. Basil M. Sandelson has retired from partnership with BENDON LANGNER AND CO. stockbrokers, but continues with the firm as a consultant.

Dr. R. J. Clark has re-linquished his position as tech-nical director, Central Resources Unit, GLYNWED GROUP SERVICES, but will remain technical consultant to the group.

Mr. Kenneth Rushworth will retire as chief executive officer of the BURNLEY BUILDING SOCIETY in September and will be succeeded by Mr. John F. Richardson, a deputy general manager. Mr. Rushworth will continue as a director.

Mr. A. B. Burnham has been appointed managing director of DRAGOCO (GREAT BRITAIN) but retains his responsibilities sentative for the fragrance division. Mr. Sydney.

P. B. Thomason has been made chairman of the company in the UK.

place of Mr. C.-H. Gerberding Mr. N. A. Smith has become secretary and continues as chief

Mr. G. H. Moss has been appointed a director of H AND H FACTORS. a subsidiary of Walter E. Heller International.

JOSEPH CARTWRIGHT GROUP has made the following board appointments: Mr. Ken L Rees becomes chalrman of Davies Middleton and Davies and has been succeeded as managing. director by Mr. David J. Offord. Mr. Arthur C. Allen is now managing director of Hayward and Wooster and Mr. Raymond F. Preston, managing director of J. Cartwright Developments.

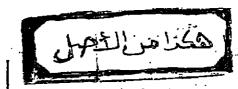
Mr. Alasfair Macintyre and Mr. Raymond G. F. Coninx have been appointed directors of TULLETT AND RILEY (FINANCIAL SER-VICES) COMPANY, a subsidiary of Tullett and Riley International.

Mr. John H. Kenefick, Jur., has been appointed president of the Pittsburgh - based PULLMAN SWINDELL division of Pullman incorporated. He remains with the Pullman Kellogg division, where he is currently senior vice president of worldwide engineering and construction operations.

Mr. A. J. Hadfield has been appointed a director of STREETERS OF GODALMING.

FIBREGLASS has appointed Mr. John Currie as managing director of its insulation division and Mr. Hugh Gair as managing director of its reinforcements/ Cemfil division. Mr. Bill Snowden, an executive director of Pilkington, remains chairman of its glass fibres division and chairman of . Fibreglass. The posts of managing director of these two operations, which Mr. Snowden had also held, are now discontinued.

Mr. Derrick Plummer has been appointed NATIONAL WEST-MINSTER BANK'S senior representative in Australasia, based in Sydney. He succeeds Mr. Leon Roberts who will be returning to



This announcement appears as a matter of record only

Swiss Francs 40,000,000

Unsecured medium term loan facility

Arranged by

BANQUE KEYSER ULLMANN EN SUISSE S.A.

Provided by

NORDFINANZ-BANK ZURICH BANQUE KEYSER ULLMANN EN SUISSE S.A. HANDELSBANK N.W. LLOYDS BANK INTERNATIONAL LIMITED, GENEVA **BANCA DEL GOTTARDO**

> BANCA DELLA SVIZZERA ITALIANA. Agent

BANQUE KEYSER ULLMANN EN SUISSE S.A.

1979 – a year of new developments



of the Proprietors of the Bank of Scotland will be held on 20th May within the Head Office, Edinburgh. The following is an extract from the statement by the Governor of the Bank, The Rt. Hon. Lord Clydesmuir, K.T., C.B., M.B.E.

The Year's Results I am pleased to report a record Group Operating Profit for the year, ended 29th February 1980 of £39.859.000, an increase of 24% over the figure for the previous year. Adding in our share of Associated Companies' profits brings out a total of £42,289,000.

Of the various components of the Group, Bank of Scotland itself contributed £8.5 million additional profit, representing an increase of 37%. The improvement arising from the higher level of interest rates was modified by our decision to narrow significantly the margin below Base Rate of our deposit rates from June 1979 so that the benefit of higher rates

was passed on to our depositors. Commissions and service charges showed a useful increase, but sales of Government stocks crystallised a net book loss of £1.3 million compared with a modest gain last year. The Bank's operating expenses rose by some 16%, in which the major contributory item was the two pay settlements during the year which increased salary costs by 21%. Finally, the charge for bad and doubtful debts proved greater this year and these adverse

for had and doubtful debts proved greater this year and these squerse factors, in aggregate, have offset a substantial part of the short-term benefit accruing from high interest rates.

North West Securities Ltd., together with their Associated Companies, contributed £8,006,000 to Group Profit, very similar to last year.

Successful penetration into the growing field of 'in-store credit' and the continuing high reputation of IBOS Finance in the leasing field were notable features.

The British Linen Bank Ltd., produced a contribution to the Group results of £3,191,000, which represents a small reduction compared to last year. With substantial growth in the volume of business being handled and the successful establishment of their London Office, The British

and the succession establishment of their London Office, The British
Linen Bank should go from strength to strength.
The profit pattern of North West Securities and to a lesser extent that of
The British Linen Bank are contracyclical when compared with our
Clearing Bank operations and whilst this can hold back Group profits when rates are high it should stand us in good stead when rates begin to

Dividend Increased Your Board recommend payment of a Final Dividead of 7.75p per £1
Capital Stock, making a total for the year of 15p compared with 12.248p last year, an increase of some 22%.

Balance Sheet Strength The Bank's Balance Sheet shows Deposits at £1,863 million and Advances of £1,516 million. The Consolidated Balance Sheet shows total resources at £2,816 million, an increase of 17.5% over the previous year.

New Developments New Developments
Of the new developments of the past year the most significant move was
the announcement in January that we will open a new office in
Birmingham later this year. All the Scottish Banks already have
substantial businesses in London but this is the first incursion into the
heart of industrial England. Our Birmingham Office will concentrate mainly on corporate business and I am confident that this will become

one of our largest Branches before long.
Our Hong Kong Office became a full operational branch of the Bank last summer and the business transacted to date has been encouraging. Our coverage in North America has been further increased by the opening of a Representative Office in Los Angeles close to many of the high technology

American corporations who have such a significant identity with the progressive electronic, computer and business machine companies operating throughout central Scotland.

After a period of careful planning we are now heavily involved in installing Bank of Scotland Autotellers outside many Branches. This will allow holders of a Keycard to obtain access to cash and other automated services during greatly extended hours.

In June 1979 we also launched our House Purchase Loan Scheme which has resulted in a significant volume of new loan proposals particularly through our suburban Branches. The level of home

householders and we are anxious to play a part in enabling tenants in both New Town and Local Authority houses to purchase their own homes. The combination of North West Securities' creativity and the expertise of the Bank's Computer Division was put to good effect in entering the market for 'in-store credit'. The Group is now running schemes for Marks & Spencer and C&A Modes amongst others.

Costs

Costs have been rising for some time at a rate rather faster than the real long-term underlying growth of service revenue. Falling revenues allied to fixed or rising costs can only result in lower profits for the banking industry. These trends are a matter of concern to the Board and to the Executive. Approximately seventy per cent of all costs relate to staff salaries, pension contributions, employee benefits and training.

The Economy
The Chancellor during his Budget speech again demonstrated the Government's commitment to reducing inflation through a restrictive monetary policy, consistently applied, rather than by resorting to an incomes policy. It is inevitable that such measures will hurt – they are currently characterised by high interest rates and lower profits and cash flow – but it would be misleading, if these policies are eventually to result in new investment by an invigorated private sector, to believe that the benefits will accrue overnight.

The next few months will be extremely difficult ones with declining liquidity throughout the corporate sector although we can at least be confident of a marked upturn in activity related to North Sea oil exploration and production in 1980 and 1981 – an industry with which Bank of Scotland is particularly closely identified.

The staff at all levels throughout the Bank have continued to work with enthusiasm and there is growing evidence of Managers successfully securing the commitment of the entire Branch staff to the development of Under the terms of the Staff Profit Sharing Schemes approved during the year the sum of £1,649,000 or 4% of allocable profits will shortly be distributed.

The Board

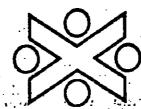
At their meeting on 15th April the Directors unanimously agreed to appoint Mr. D. Bruce Pattullo, Treasurer and General Manager, to the Board. As Chief Executive Mr. Pattullo carries a heavy responsibility in planning for the future and although traditionally the Board and executive functions have usually been separate we believe this is a good moment to make a change. I would take this opportunity to thank all my colleagues for their support over the past twelve months.

The Future

We must expect continuing change but I believe that the Bank of Scotland Group, comprising a long-established Clearing Bank, a growing Merchant Bank and a successful Finance House, is particularly well balanced. With our Scottish identity, strong capital base and short lines of communication, we have both the ability and the opportunity to achieve substantial and progressing the surpression. substantial enhancement of our business.

SUMMARY OF GROUP RESULTS

Y	ear ended 29th February	1980	1979
	•	£000's	£000's
G	roup operating profit	39,859	32,107
G	roup pre-tax profit (including share of associated companies' profits)	40,640	34,252
P	rofit attributable (after tax and extraordinary items)	24,973	22,289
R	letained in business	20,136	18,339



BANK OF SCOTLAND

FIRST CHICAGO BANK

Trouble in the executive suite

ninth largest bank in the U.S., moves on interest rates in the marks the latest unhappy last 12 months left First Chicago episode in the bank's long tale as deeply troubled as ever. of woe. But with any luck, it should hasten a happy ending were recording large earnings provvded the right men can be gains, First Chicago's profits

the deputy chairman, and handed the reins over tempor- the problems continued. arily to Mr. Ben Heineman, a board member and president of Northwest Industries, a large local industrial concern.

Although discontent had evidently been brewing in the liability committee, resigned.
bank's executive suite for some Since then Messrs Abboud time, the announcement still came as something of a surprise, particularly since Mr. Kapnick only joined the bank last

and loan portfolio problems, management altogether and get Although he made some pro- rid of Mr. Abboud too.

Sperry warns

ther is optimism for fiscal 1981

in view of a strong backlog of \$3.3bn and the product mix.

to March 31 was up from \$224.1m to \$277.1m on sales of

\$4.8bn against \$4.2bn. The final

quarter brought net earnings of

887.5m against \$69.6m on sales

of \$1.4bn compared with \$1.2bn.

its income from computer sys-

tems and peripherals and 27 per

cent from farm equipment.

30th April, 1980

Sperry earns 48 per cent of

Total net for the 12 months

on growth

THE RESIGNATION of the top gress, his abrisive style com-two men at First Chicago, the bined with some ill-judged

At a time when other banks on Monday, the bank's December, the bank took advandrectors dismissed Mr. Robert tage of Mr. Kapnick's dismissal Abboud, who combined the jobs from the top job at Arthur of chairman and chief executive Andersen, the large Chicago officer, and Mr. Harvey Kapnick, accounting firm, to take him on. apparently as number two. But

In January, the bank announced a 47 per cent plung in fourth quarter earnings, and a few days later Mr. Edwin Yeo, chairman of the asset and Since then, Messrs Abboud

and Kapnick were unable to agree on who does what, and both appealed to the Board, But instead of referring between the two warring executives, Mr. Abboud was hired in 1975 Board decided this was the to cure the bank's balance sheet moment to clean out top



Mr. Robert Abboud:

Meanwhile, First Chicago's financial position has been im-proving somewhat in the wake of the recent sharp decline in U.S. interest rates, so much so, in fact that many bank analysts believe it may be past the finan-

The improved economic environment also means that First Chicago finally has a chance to put its bouse in order. Providing the improvement in its fmancial health continues, and suitable new management can be found, it may be on its way to becoming a sounder and happier institution than it has been for years.

It was still not clear yesterday how the succession will shape up. An obvious contender for the top job is Mr. Richard Thomas the bank's president who was edged backstage during the power struggle. Mr. Thomas was described yesterday by a New York bank analyst as an impressive, statesmanlike per-

However, First Chicago hasformed a search committee, which is expected to take at least six weeks, possibly as long as six months, before a successor is announced. Until then, Mr. Abboud will remain with the bank. Mr. Kapnick's departure was more prompt. He left on Monday night.

Goldsmith in U.S. bid moves

BY OUR NEW YORK STAFF

AN INCREASE in earnings for SIR JAMES GOLDSMITH, 1979-80 from \$6.35 a share to through the Generale Occiden-tale and Cavenham companies \$7.60 at Sperry Corporation, comfortably meets forecasts, but he heads, appears to be marshalthe Board is concerned that it ling his forces for a takeover may not achieve the same rate of growth in the fiscal year startattempt upon Diamond Inter-national, the New York-based ing this month because of the forest products company. expected downturn. However,

Sir James, through the U.S. arms of the two companies he controls, has made two moves designed to step up the pressure Diamond International. General Occidentale owns 5.6 ner cent of Diamond, according to the last returns filed with the U.S. authorities, but it is thought that since then the company may have directly or indirectly increased its holdings.

Its first move was a letter from Mr. Bowman Gray, vice-

U.S. \$20,000,000

Bearer Depositary Receipts

Floating Rate Deposit finally due 1986

C.A. Cavendes

Sociedad Financiera

evidenced by consecutive three month Certificates of Deposit

Notice is hereby given pursuant to the Terms and Conditions of the Bearer Depositary Receipts

(the "BDRs") that for the three months from

1st May, 1980 to 1st August, 1980

the BDRs will carry an interest rate of 15%% per annum. On 1st August, 1980 interest of U.S.S39.77 will be due per U.S.\$1,000 BDR and U.S.\$397.71 due

per U.S.\$10,000 BDR for Coupon Na.4.

European Banking Company Limited (Agent Bank)

president of Cavenham, to Mr. Diamond, stating that the William J. Koslo, chairman of

New A and P chief MR. JAMES WOOD, formerly a managing director of British-based food group Cavenham, has been appointed chairman and chief executive officer of New Jersey food group The Great Atlantic and Pacific Tea Company (A and P), our Financial Staff writes. Mr. Wood ran retail operations at Cavenham, which is a subsidiary of Sir James Gold-smith's French-based Generale Occidentale. He replaces Mr. Jonathan Scott who is moving to a private investment

French company may purchase "a substantial portion" of the U.S. company's stock "at a significant premium" over the current market value.

The second move has been to start litigation in a Delaware Court to block a proposed merger between Diamond and Brooks Scanlon, another forest products company.

Sir James's company has interests in food, banking, publishing and insurance. Diamond International, which had sales last year of \$1.2br and net income of \$61.7m, has extensive timberland assets which analysts believe are greatly undervalued in the com-

US DOLLARS 35,000,000.00 BEOGRADSKA BANKA

FLOATING RATE NOTES DUE 1983

In accordance with condition 11 of the notes, notice is hereby

given that for the six month period April 29, 1980, to October 29, 1980, the notes will carry an interest rate of 1648%.

Notes of US\$1,000 - 86.10 per Coupon .

THE FIRST NATIONAL BANK OF CHICAGO

BANKERS TRUST COMPANY, Fiscal Agent

Notes of US\$10,000 - 860.99 per Coupon

AMENDED NOTICE

Ente Nazionale per l'Energia Elettrica (ENEL)

Guaranteed Floating Rate Loan Notes 1980

In accordance with the provisions of the above Notes, Bankers Trust Company, as Fiscal Agent therefor, has

established the Rate of Interest on such Notes for the

semiannual period ending May 30, 1980 as fourteen and three-eighths percent (14%%) per annum. Interest due on such date will be payable upon surrender of Coupon No. 20.

Relevant interest payments will be as follows:--

Shipyards ease fall at **Bethlehem** Steel

By Ian Hargreaves in New York

BETHLEHEM STEEL, the second largest U.S. steell maker, saw a slight fall in profits in the first quarter, but sharply declining demand from the motor industry was somewhat offset by a better pany's shipyards.

First quarter net income of \$54.4m fell from \$59.2m compared with last year but sales. rose from \$1.75bn to \$1.95bn.

Bethlehem which has had several raw years in its shipyard operations, is confideutly forecasting a profit-able year in this area. The decline in sales of flat rolled steel products to the motor industry had been partly offset by higher sales to the construction and machinery

There had, however, been a general downturn in orders ince March, with no signs of improvement since then. Last week the company announced layoffs at its Sparrows Point, Marvland. steelworks. The outlook for the rest of the year was difficult to predict because of political uncertainties home and abread.

Bethlehem has a 25 per cent stake in an iron ore venture in Liberia, where the overthrown. The said its Liberian operations have continued. somewhat reduced levels hecause of curfew restric-

In spite of its order book tailing off, it is sticking to its forecast of industry shipments of 90m to 93m tons this year, down from 100m tous last year.

U.S. QUARTERLIES

AMEREDA HESS

	1980	1979	· -
First quarter	•	_	l.——
Nevenue	. 2.3bn	1.5bn	
Revenue Net profits Net per share	4.47	1.5bn 129.7m 3.13	The exists.
AMERICAN STANDARD			on the
	1990	1979	1
First quarter Revenue Net profits Net per Share	Š	Š	U.S. DOL
Revenue	630.7m	582_1m	I Alcon of A
Net provis	. 44.5m	34m 2.42	Australian
CHUBB			Avco 0.18 Beneficial
СПОВВ			CSCA Gra
First quarter	1980 \$	1979 \$	135
Net profits	19.9m	73 1m	Canadian Carter Ha
Net per share	1.61	1.86	Comalco
FOSTER WHEELER			Continent
	1980	1979	Dome Pat
First quarter	\$	•	Dominion EIB 11% EIB 10.15
Revenue	354.6m	402.5m	EIB 10.15
Revenue Net profits Net per share	0.68	0.64	FIB 13%
HOBART			Export Dy
	1980	1979	Export Dy Export Dy Finland 9
First quarter	e e		L GTE Figer
Revenue	150m	145.6m	GMAC 94
Net per share	7.4m 0.65	0.55	GMAC 0/
ALL PROPERTY AND ADDRESS.			GMAC 94 GMAC 0/ GMAC 0/ Gould Int.
First quarter Revenue Net profits Net per share KANEB SERVICES	1990	1870	T Adulle
First quarter	Š	\$	Kennecott
Met profite	758m	682,6m	Manitoba : Michelin 1 Nat. Des. 1
Not per share	30.45m 1.02	دد (200 m) ام وي	Nat. Des. T
KANEB SERVICES	1		New Brun:
	1980	1979	Newfoundl Norges Ko
		•	Norway 91
Revenue	96.7m	86.3m	Nova Scoti
Net per share	27.4m 1.22	9.6m 0.43	Pepsico Ca
KENNECOTT COPPER			Pennwait (Pepsico Ca Quebec Hy Sears Roet Statoil 9%
	1980	1070	Sears Roet
First quarter	3	SI	SWAGAG St
Revenue	45.17m 5	74.4711	Sweden 92:
Net profits Net per share	67.55m	21.18m	Sweden 9%
NORTHWEST AIRLINES			Warner-Len
	1980	1979	Average
First ouarter	•	e	DEUTSCHE
Revenue	358.1m	279.2m	STRAIGHTS
Revanue Net profits Net per share	†10.9m +0.50	17.35m	Australia &
† Loss	10.50	ا تعاد	Asian Dev. SFCE 74 87 BFCE 84 95
PENNZOIL		—— J	BFCE 84 9
	1980	1979	Brazil 8 87 CECA 7 91
First quarter	 \$	_\$	Council of
Vet profits	83.64m 4	133.4m 16.17m	Denmark 7
First quarter flevenue	1.61	0.91	ÉEC 7's 94
PEPSICO	-	1	EEC 7 94
	1980	1979	Finland Rep
Arst quarter	\$ 1,18bn '		Kobe, City Neder, Gas New Zealor
let profits		1.01bn 45.2m	New Zastor
let per share	0.52	0.48	Norway 72 OKB 74 89
HILADELPHIA ELECTRIC		·I	Osto, City o
	1980	1979	Sweden 94 Model Benk
First quarter levenue (\$ 54.4m A	19.2m	"orld Bank
let profite	53.6m	57.2m	11forld Benk World Bank World Bank World Bank
let per shere	0.51	0.60	AASLEGS AAOLIG REUK
HILLIPS PETROLEUM		[_
First quarter	1980	1979	SWISS FRA STRAIGHTS
evenus	S 1390an 1	.99bn	Amentina 5
let profits	138.6m	177m	Argentina 5 Aumar 5 89 Australia 35
et per share	2.20	1.15	Australia 37 Berson Circ
EVERE COPPER		[]	Bergen, City BNDE 5 89
	1980	1979	RMW Overse
First quarter evenue		1919]	West Cities
et profits	\$	\$ 13.6m	Caisse Nat.
et per share	\$ 15,5m 2 6,7m	\$ 03.6m 7m	Caisse Nat. CCE 54, 90 Copenhagen
	\$ 15,5m 2 6,7m	\$ 03.6m 7m 1,23	Caisse Nat. ^^CE 5½ 90 Copenhagen Council of E
AFECO	\$ 15,5m 2 6.7m 1.17	\$ 03.6m 7m 1,23	Caisse Nat. CCE 54 90 Copenhagen Council of E EIB 44 91
AFECO	\$ 15.5m 2 6.7m 1.17	\$ 03-6m 7m 1.23	Caisse Nat. CCE 5½ 90 Copenhagen Council of E EI 6 4½ 91 EI 6 4½ 94 El 6 4½ 94
AFECO First quarter	15.5m 2 6.7m 1.17	\$ 03-6m 7m 1,23 1879 \$	Caiase Nat. CCE 5% 90 Copenhagen Council of E EIB 4% 91 EIB 4% 94 EIBL de Fran GZB 4% 69
First quarter	\$ 15.5m 2 6.7m 1.17 1980 \$ 16,7m 2	\$ 03.6m 7m 1.23 1979 \$ 77.7m	Caisse Nat. CCE 5% 90 Copenhagen Council of E EIB 4% 94 EIBL de Fran GZB 4% 98 Hilti 4½ 91
First quarter	\$ 15.5m 2 6.7m 1.17 1980 \$ 16.7m 2 29.9m	\$ 03-6m 7m 1,23 1879 \$ 77.7m 27,8m	Caiase Nat. CCE 5% 90 Copenhagen Council of E EIB 4% 91 EIB 4% 94 EIBL de Fran GZB 4% 69
First quarter avenue 3 et profits	\$ 15.5m 2 6.7m 1.17 1980 \$ 16.7m 2 29.9m	\$ 03.6m 7m 1.23 1879 \$ 77.7m 27,8m 1.41	Caiese Nat. Copenhagen Council of E EIB 4½ 91 EIB 4½ 91 EIB 4½ 94 EIBL de Fran GZB 4½ 93 Hifti 4½ 91 nrAmer. Ele Malaysia 5
First quarter evenue	15.5m 2 6.7m 1.17 1980 \$ 16.7m 2 29.9m 1 1.54	\$ 03.6m 7m 1.23 1879 \$ 77.7m 27,8m 1.41	Caiese Nat. Copenhagen Council of E EIB 4½ 91 EIB 4½ 91 EIB 4½ 94 EIBL de Fran GZB 4½ 93 Hifti 4½ 91 nrAmer. Ele Malaysia 5
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INTERNATIONAL BONDS

Demand for dollar issues as interest rates decline

fall in U.S. and Eurodollar Easter now stands at \$1.70n. interest rates rather than onthe deepening crisis between Iran and the U.S. The threemonth rate dropped i per cent yesterday to 145—on Monday it had already fallen i per cent. Straight dollar bond prices moved up by around one point with some large bond houses saying that the volume of business was very good. One new issue was announced, a \$75m five-year bullet bond for Federal Business Development Corporation, of Canada, through Wood Gundy, Deutsche Bank and CSFB. This issue includes a

indicated price of par.

coupon of 12} per cent and an

count at which the recent issues for McGraw Edison, Portland Industries are still standing. This latter issue was also is Swiss Bank Corporation. plagued by the fact that the bor-

This resulted in about half a dozen underwriters from the first day of subscription. The Gulf who had taken less than lead manager AmRo and the per cent of this issue handing Kuwait Foreign Trading Comback their allotments to the lead manager, Orion, Last night the bonds closed at 951-961, up slightly on the previous day.

The last two tranches of the The bard currency sectors an issue for the Nederlands \$500m tap issue launched for have been rather quiet. In Credietbank only attracted Sweden before Easter have now Germany, the market reacted F1 25m out of a proposed been completed, \$50m on Mon-well to the calendar of new amount of F1 60m.

THE EURODOLLAP bond mar day and \$50m yesterday. This essees for the next few w ket concentrated its attention means that the volume of new which has been set at between yesterday on the continuing fast dollar paper arranged since DM 750-800m. In Switzerland The market continues to show vate placement has been

preference for very high quality arranged for Kubota Ltd. paper as witnessed by the dis SwFr 60m five year transcarries a compon of 7 per cent while the second six year General Electric and Northwest trauche carries a compon of 71 per cent. The lead manager The latest Euro-guilder offer

rower is on the Arab blacklist. ing, a FI 60m private placement pany, closed the books with the full amount subscribed. This marks a turnsround in market sentiment since last morth when The hard currency sectors an issue for the Nederlands

Hungary sees lower borrowing

BY PETER MONTAGNON

to total only \$500m to \$600m last year. this year, down from just over \$1bn in 1979, Mr. Janos Fekere, Hungarian National Bank said

Before the signing of the bank's \$250m credit led by Manufacturers Hanover, Mr. Fekete said that Hungary will be raising only one more

yesterday in London.

Eurocredit this year. The current account deficit already declined last year to \$555m from \$1.2bn in 1978, but Mr. Fekete said the improvement has continued into 1980. In the first quarter, Hungary had a surplus of \$30m in that

HUNGARY EXPECTS its This compares with a deficit of earlier. The gold content was external borrowing requirement \$200m in the same quarter of not detailed though holdings to total only \$500m to \$600m last year.

Were valued at \$220 per ounce

prepared in connection with its. The seven year credit carries current credit meanwhile reveals alternative conditions of a

The information memorandum, in the second half of last year. that Hungary's gold and foreign per cent margin over Libor exchange reserves at the end throughout or a 1 per cent of last year stood at \$2.1bn spread over prime for the five compared with \$1.96bn a year years rising to 1 per cent

French utility issues bond

A FFr 2.5bn domestic bond with 14.26 per cent at issue and h a 145 per cent coupon is planned next week by Electricite de France. tricite de France. Market sources suggest that the issue will have a life of 12 years. Reuter reports from Paris.

lead managed by Societe Slightly easier market conditions have meant a cost for the

for French national railways The bond would yield a gross and the Post Office (PTJ):

FT INTERNATIONAL BOND SERVICE

e list shows the 200 latest international bond issues for which an adequate secondary market For further details of these or other bonds see the complete list of Eurobond prices published second Monday of each month.

Closing prices on April 29

on the second Mon	iday o	f each month
U.S. DOLLAR	•	Change on
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Canadian Pacific 9% 8	9 50	887 894 +04 +04 11.76
Carter Hawley 94 86		887, 891, +01, -01, 12,35
Comalco Inv. E. 104 9		894 897 +74 +74 11.96
Continental Grp. 91 8		894 894 +14 +04 12.12
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Dominion Bridge 10% B		914 917 +02 -04 12.97
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Kennecott Int. 9 85		864 867 +14 -04 12.80
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Norges Komm, 97 99		824 834 -04 - 14 12.56
Norway 91 84	150	934 934 +05 +05 11.62
Nova Scotia Pwr. 9 89		874 874 +14 +1 12.12
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Pepsico Cap. 94 84	100	921 93 +04 +04 11,68
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\$30,000,000

Nchanga Consolidated **Copper Mines Limited** Republic of Zambia

DATED: April 30, 1980

Eurodollar Revolving Credit and Term Loan Working Capital Facility for Mining Operations

This Financing was Arranged by

Irving Trust Company

Guaranteed by

Overseas Private Investment Corporation

Funds Provided by **Irving Trust Company** (As Agent) Bank of Virginia

Allied Bank International

Irving Trust Company One Wall Street New York, N.Y. 10015

April 1980

Energy and

Minerals Department

Irving Trust

WEST GERMAN MOTOR INDUSTRY

Volkswagen earnings at record level

BY KEVIN DONE IN FRANKFURT

VOLKSWAGEN, West Germany's world car markets. Spending last emphasis falling on Western to total about DM 10bn in the enjoyed a record year in 1979 with group after-tax profits rising 16.2 per cent to DM 667m (3370m). Sar sales rose to a record 2.51m vehicles, an perease of 7.1 per cent

Despite weakening demand in several of the world's major car markets, Volkswagen has mainhined the momentum in the first firee months of 1980 with worldwide sales rising to 656,000 vehicles, up 3.4 per cent from year earlier.

, Net earnings of the parent company in the first quarter failed to match this improvement, however, slipping back by 11 per cent to DM 124m on sales of DM 7bn. Finance director Herr Friedrich Thomee told Renter he expected group profits for 1980 as a whole to "show a decline."

· Yolkswagen is in the midst of a massive investment programme aimed at increasing its share of industry, wer borrow

manufacturer, year jumped 56 per cent to Europe and North and South three years to the end of 1982 DM 3.1bn. Herr Toni Schmucker, Volkswagen's chief executive. said the total would rise again this year by about DM 600m to DM 3.7bn.

Included in last year's expenditure are sums for VW's takeovers of the Triumph Adler group and Chrysler do Brazi. VW said the acquisition of its 72.9 per cent share in the Triumph Ader office equipment group had cost a total of DM 480m.

Herr Schmucker said that he expected salese of the Triumph Adler subsidiary to double in the next three years from the 1979 turnover of DM 1.5bn. But with this first major move into a new industry accomplished, it appears that VW's appetite for further diversification has been

He emphasised that the group would have to devote all its resources to consolidating its presence in the world motor industry, with the main

America.

The potential of the European market was far from exhausted, said Herr Schmucker, and VW was looking to increase its present 13 per cent market share to about 15 per cent in the next two to three years. In the major volume markets outside West Germany, namely the UK, France and Italy, VW is seeking to enlarge its market share to about 7 per cent compared to the present level of less than 5 per

In West Germany VW took 31.7 per cent of the car market in the first quarter of this year compared with 30.4 per cent last year. At a time when the general market fell 8 per cent. managed to hold sales at almost the same level as last year.

The big push in Western Europe is being supported by an investment programme expected

in West Germany alone. The group has been operating close to the limits of its capacity during periods of peak demand. As a result it is opening up a new assembly plant at Salzgitter
—for the production of its Golf
and Jetta models — with a capacity of 600 cars a day.

Despite its very heavy spendng programme. Volkswagen has been able to finance most of its expenditure from cashflow. Its financial strength makes its balance sheet look like that of a bank and an important part of its profits last year came from interest earnings.

VW's sales in the U.S .-second assembly plant is to be built there during the next two years—rose 19.5 per cent last year to 334,000 vehicles. But a strike at one of its plants earlier this year and limited production capacity meant that U.S. sales fell in the first quarter by 10 per cent to 87,000.

Olivetti in link

computer maker

OLIVETTI, the leading Italian

electronics and office equip-

ment group, said yesterday it

had bought for \$4m a third of

the capital of the U.S. medium-

sized computers manufacturing

Olivetti also said it has taken

an option to buy additional IPL

shares to increase its stake up

to 40 per cent in the Boston

based company. The Italian group has further agreed to

advance IPL a loan of U.S.\$2m.

This latest deal, coming only

a week after a major financia

and industrial agreement between Olivetti and Saint-

France, reflects the Italian

with U.S.

By Paul Betts in Rome

group IPL System.

German builder expects flat year

BY ROGER BOYES IN BONN

BILFINGER UND BERGER one of West Germany's leading building companies, expects sales and earnings this year to match the high levels of 1979 helped largely by a steady flow

of foreign orders.
The company's interim report shows that the volume of construction work was up 13 per cent in the first quarter of 1980 from a year earlier to total DM498m (\$277m) of which DM498m (\$277m) to DM229m was domestic and DM229m work.

domestic orders look healthy for the first quarter reaching DM331m compared to DM235m a year earlier. Foreign orders have slackened to DM334m from DM519m in the first quarter of 1979. Among new overseas orders are road construction projects in Libya and Indonesia and work related to a steelworks in Nigeria.

Significantly all three of these

BY DAVID WHITE IN PARIS

ESIEUR the French edible

use to FFr 89.5m (\$21.3m) from FFr 74.3m the previous

ear. The company is proposing

final net dividend of FFr 13.50

share, making a total of Fr 26 for the year, up from

Group sales rose to FFr 3.83bn

from FFr 2.88bn. The results included for the first time a fined food subsidiary, William saurin (which Lesieur took

ever a year ago in its first major diversification out of

adible oils) and a 50 per cent take in a Spanish edible oil company, Salgado y Cia.

*Irish building

group in U.S.

EMENT ROADSTONE, which with pre tax profits of Irish

ployees is one of the largest

Public companies in Ireland, is made two acquisitions in the

For \$11.3m it has acquired carder Concrete Products and

"In 1979 combined sales and

gre-tax profits of Carder and El

Paso were respectively \$11.3m and \$1.9m while tangible net

asets were \$10.3m. Carder

and pre-cast box culverts in

Colorado and Wyoming, while

El Paso manufactures concrete

The company says that the

acquisitions will complement

its Amoor business as they oper-

ate in related product lines in

the same general area. With these new purchases CRH,

which exports very little from

Ireland will have reached a

manholes in Colorado.

can be self-generating.

concrete pipes

manufactures

El Paso Pre Cast Inc. equisitions were made through CRE's U.S. subsidiary, Old-

(\$9m) and 6,000 em-

acquisitions

c Consolidated

als group, fulfilled its promise a major reorganisation in its a 20 per cent increase in ownership structure two years

profits for 1979 on sales up 33 ago, has said it will seek further

tries are willing to spend some of their money on major infrastructional projects to the benefit of western companies. Berger's good results over the past two years and satisfactory prospects for 1980, it will soon face the dilemma common to all German construction com panies.

Having spread its wings abroad during the mid-1980s domestic recession, it anticipates stronger competition in securing overseas business, given the strength of the Deutsche-Mark against some other currencies, notably the Yen. But at the same time, the domestic construction boomwhich has helped to keep order books full for the past htree years-seems about to cool off.

Thus the interim report to shareholders warns of the possible repercussions of higher clients are oil-producers, sug-gesting that oil-exporting couning claims made on government

her cent, partly as a result of opportunities for widening its the group's consolidated sales range of activity. It invested for the year, which rose only

Consolidated net profit, about FFr 200m in 1979, marginally from FFr 9.6bn in childing portfolio operations, including FFr 140 in financial 1978 to FFr 9.7bn. Depreciation charges were FFr 239m, while

The main shareholders in the

Lesieur holding company are

Banexi, a subsidiary of the state-owned Banque Nationale de Paris, with 30 per cent and

the Lesieur family with 20 per cent. Barclays Bank holds an

strike which hit Alsthom-

neering and shipbuilding group.

last year, was one of the main factors behind the company's

BY RUPERT CORNWELL IN ROME

privately owned steel company.

yesterday reported a rise in net profits but has been unable to

stop a deterioration in its over-

Net earnings in 1979 climbed

to L3.9bn (\$4.6m) from L2.4bn

in the previous year, on sales of L445bn (\$524m) against L374bn. However the improvement in sales entirely reflected

increases in prices during the

yar, while the improved profit was achieved through a revalua-

tion of portfolio assets by a total

This manouevre has permitted the group to increase its dividend to L160 from the 1978

level of L100. However, during

the year the overall indebted-

ness of Falck — whose profit-

ability has been in marked

contrast to the state steel sector

in Italy — rose by L40bn to L107bn, while debt servicing

costs of over L19bn were more

The payment of a dividend is

stage in the U.S. where growth | way for a capital increase, the state conglomerate that is the

all financial position.

of L7.2bn.

slide into losses of FFr 8m previous year.

indirect interest.

spending. While demand for private housing and flat construction has fluctuated, partly in response to interest rate movements, public projects such as road building have provided a sustaining staple. But even these projects are under pressure because of goveroment commitments to, for example, higher defence spend-ing in the wake of the Soviet invasion of Afghanistan. At the same time rising costs are eat-

ing into margins. Order books are fat enough to keep this year's result at the 1979 level. Last year's construction sales reached DM 2.3bn against DM 2.2bn in 1978 and orders in hand DM 2.7bn, some two-thirds of it from overseas business.

Largely because of foreign business, profits last year were "on the whole, satisfactory." the company said. Reserves will be built up and an appropriate dividend will be paid, it added.

The effects of the stoppage on deliveries is indicated in

a profit of FFr 75.4m in 1978.

Alsthom, in which CGE, the big French electrical group, has

a 31 per cent stake, is one of the country's leading ship-

builders following the merger of Alsthom, CGE's heavy elec-

de l'Atlantique, the shipbuild-

dividend for 1979 of FFr 2.5 a

share against FFr 6 in the

largest which is not clear. Fack's company, capital currently stands at se in net L49.5bn. A new issue would

Doubts, however, has been expressed in Bourse circles over the willingness of certain major

shareholders, most notably the

Italmobilaire/Italcementi group of Sig. Carlo Pesenti, which

holds a 25 per cent stake in

The immediate prospects for

Falck to participate fully in a

the group have brightened

recently with the sustained demand for steel. Sales in the

first quarter rose 35 per cent to

Meanwhile the plight of the

publicly-owned steel industry in

Italy has been underlined by the

approval of the massive capital

raising operation by Finsider.

which after reducing its capital

by almost half to L608bn, to

cover previous losses, has

increased it by over L1.400bn to

This operation has been

new fund raising operation.

be a rights issue.

· L148bn.

L2.028bn.

mainly aimed at smoothing the totally underwritten by IRI, the

exact dimension and timing of parent of Finsider.

accounted The company had

Lesieur, which went through (\$61.9m), writes Terry Dods-

THE BITTER two-month-long trical subsidiary, with Chantiers

Atlantique, the French engi- ing group.

neering and shipbuilding group, The company is proposing a

Italian steelmaker pays

more and plans funding

worth in Paris.

provisions

FFr 85.7m.

company's strategy of strengthening its presence on the international and communications market. Saint-Gobain has agreed to Lesieur profits a fifth higher

purchase a 10 per cent shareholding in Olivetti for L67.28bn (\$79m). The French group eventually plans to raise its shareholding to 20 per cent. The agreement with IPL,

which will also see Olivetti join the U.S. company's board. follows a distribution deal between the two signed earlier this year whereby the Italian company will sell medium-sized data processing systems produced by IPL through a special subsidiary called Olivetti

Credit Suisse News

The April Issue of the Credit Suisse quarterly "Bulletin" contains reports on

● The Swiss Franc: · A Change of Course

Eurocurrency Lending:
The Long Range Outlook

Investment Policy in the Eighties

• Money Costs on the Rise? and is available at: 24 Bishopsgate, London, EC2N 4BO

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BADISCHE KOMMUNALE LANDESBANK GROZENTRALE Augusta-Antage 33 • D-6800 Mannihe

Nestle in Spanish meat deal

than L6bn up on 1978.

BY ROBERT GRAHAM IN MADRID

NESTLE, the Swiss-based food- Current turnover is reported to stuffs group, has taken a 32 per be about \$43m. cent shareholding in one of Spain's biggest meat concerns, Felix Postigo Herranz. The deal marks a new departure in Spain for Nestle where it already has important food-

stuffs operations. Felix Postigo Herranz is a family-run company based in Segovia with a capital of Pta 116m (\$1.6m). The company said the shares were bought by Nestle for cash. It declined to give details of the Price but said that last year's andit showed assets of Pta 950m.

The sale has ben prompted

by the Postigo family's desire to ensure continued expansion of the company, with a view to Spain's entry into the Common Market. It is another case of a Spanish family-run concern needing the presence of an international partner to guaran-

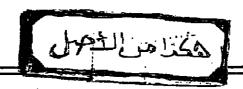
tee its future. Felix Postigo Herranz has 15 offices in Spain, employing 750 people, and sells both fresh and frozen meat products. It also has an export operation, mainly water company, Manantiales de directed towards France. Cardo.

The deal further consolidates Nestle's presence in Spain where it is largely represented by minority interests in Spanishbased companies. Nestle's total sales in Spain were Pta 38bn 1978 and exports from Spanish - based interests amounted to a further Pta 1.3bn.

The stake in Felix Postigo Herranz represents one of two diversifications made in the past year by Nestle. The other was a 49 per cent purchase of equity in a Tarragona-based mineral

IHF-FLAT FINANCE CORPORATION B.V. U.S.\$100,000,000 GUARANTEED FLOATING RATE NOTES 1991 For the six months 30.4.80 to 31.10.80

the Notes will carry an interest rate of 15 % per annum. Coupon Value \$78.26. Listed on The Stock Exchange, Agent Bank:



Annual report of Société Générale de Banque Generale Bankmaatschappij



Some highlights of the 1979 financial year.

In Belgium

☐ Strengthening of permanent funds through conversion of 80% of the convertible loan floated in 1969 and increase of these funds through issue of a new BF 2.5 billion convertible loan.

☐ Substantial rise in credit facilities to the private sector (+ 16.2%), particularly in special loans for young people, personal loans and mortgage loans, as well as investment credits to small and medium-sized enterprises.

☐ Extension of electronic payment facilities - 130 "Mr Cash" automats in operation at the end of 1979 and expansion of the services

provided.

□ Private placements of loans amounting to BF 8.5 billion, on behalf of the energy sector alone. ☐ Underwriting of public authority bond issues totalling BF 69 billion and leading role in the granting of foreign currency credits to these authorities.

☐ Processing of nearly 208 million book entries. (+ 6.8%).

International activities ☐ Operating funds of subsidiaries

and affiliates increased by BF 1.2 billion. ☐ Assistance to foreign trade:

as at 31.12.78 as at 31.12.79 + 14.5 748,088,083,773 856,501,589,992 Balance sheet total Deposits and cash 433,408,487,195 477,166,741,920 +10.1certificates 249,032,446,734 299,866,158,939 +20.4Due to banks Loans to the private 428,859,917,113 498,242,993,411 + 16.2 SECTOR . Bills and securities -203,397,272,694 220,475,266,979 + 8.4 public sector General expenses exclu-20,058,845,971 21,847,672,387 + 8.9 ding corporation tax Net profit 1,791,922,855 + 11.1 1,990,166,309

The gross cash flow for the 1979 financial year amounts to BF 5,477 million, as against BF 5,301 million in 1978 (+ 3.32%). After allowing for depreciation, decreases in value and corporation tax, the profit for the year totals BF 1,990 million (+ 11.1%).

The Annual General Meeting held on 22 April 1980 decided to pay a dividend of BF 225, net of withholding tax, on the 5,559, 142 existing shares, as against BF 220 on 5,004,312 shares for the previous year.

financing of supplies of Belgian industrial equipment and engineering services totalling BF 17 billion - special lines of credit amounting to BF 11 billion.

Management of Eurocredits: 28th on the international list of banks.

☐ International bond issues: 15th on the international list of banks. ☐ Inauguration of the Tokyo Branch - Opening of new representative offices in Italy (Milan). Spain (Madrid) and New York -Setting up of Belgian American Securities Inc. in New York -Opening of an investment bank, Belgian Finance Company Limited, in Hong Kong.

☐ Success of the "payment guarantee without recourse" scheme for small and medium-sized exporting companies.

☐ Organization of trade missions to Singapore, Wales, Norway and several other countries and participation in the ASEAN-EEC Conference on Industrial Cooperation in Jakarta.

☐ First-class rating for the issue of commercial paper in the U.S.A.

Employment

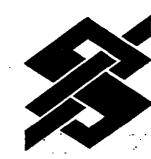
Recruitment of 536 new employees, 441 of whom are aged under 25 - Total staff: 15,840.

Consolidated balance sheet total as at 31.12.1979: BF 1,014 billion (+ 16.13%).

The full Report may be obtained from Société Générale de Banque -Generale Bankmaatschappij, Public Relations - Montagne du Parc., 3 - B. 1000 Brussels.

Our affiliate in Great Britain

Banque Belge Ltd - 4 Bishopsgate - LONDON EC 2N 4AD. W. ARMSTRONG - P. MUULS, Managing Directors.



CONSOLIDATED AND CONDENSED COMPARATIVE STATEMENT OF CONDITION IN MILLIONS OF U.S. DOLLARS

Assets	31.12.75	31.12.76	<u>31.12.77</u>	- <u>31.12.78</u>	<u>31.12.79</u>
Cash and due from banks	1,142'0	1,344.7	1,098.1	2,767.7	1,667.0
Loans	26, 166.8	31,932.4	39,023.9	42,499.8	42,837.4
Securities	429.7	506.9	729.8	1,010.0	664.4
Bank premises and equipment	373.4	- 370.3 -	- 900.7	815.0	694.2
Other assets	1,094.4	4,772.4	4,983.9	1,965.3	3,383.0
TOTAL ASSETS	29,206.3	38,926.7	46,736.4	49,057.8	49,246.0
Liabilities					
Capital and reserves	2,457.5	2,688.6	3,547.5	4,057.5	3,269.6
Deposits	17,537.7	23,226.3	<u>26,565.1</u>	<u>22,729.2</u>	16,074.9
Demand	9,129.6 ³	9,839.7	11,019.8	8,059.9	6,772.7
Time	8,408.1	13,386.6	15,545.3	14,669.3	9,302.2
Funds borrowed	1,367.4	1,504.0	1,760.7	8,654.2	15,644.3
Funds for refinancing	5,882.5	8,014.0	11,341.5	11,804.3	- 10,979.9
Other liabilities	1,961.2	3,493.8	3, 5 21.6	1,812.6	3,277.3
TOTAL LIABILITIES	29,206.3	38,926.7	. 46:736.4	49,057.8	49,246.0

The figures shown above are the conversion of Cruzeiros into U.S. dollars at the rate prevailing on the respective balan

FOREIGN NETWORK

Abidjan, Amsterdam, Antofagasta, Asunción, Atlanta. Bogotá, Brussels, Buenos Aires, Caracas, Chicago, Ciudad Vieja, Cochabamba, Colón, Concepción, Dallas, Frankfurt, Geneva, Grand Cayman, Hamburg, Houston, Lagos, La Paz, Lima, Lisbon, London, Los Angeles, Madrid, Manama-Bahrain, Mexico City, Miami, Milan, Montevideo, New York, Oporto, Panama City, Paris, Paris-Opera, Paysandu, Puerto Presidente Stroessner, Quito, Rivera, Rome, Rotterdam, San Francisco, Santa Cruz de la Sierra, Santiago de Chile, Singapore, Stockholm, Sydney, Tehran, Tokyo, Toronto, Valparaiso, Vienna, Washington and Zurich.

> New branches and representative offices to be opened shortly in other countries.

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ENTE NAZIONALE IDROCARBURI

(National Hydrocarbons Authority) 6½% Sinking Fund Debentures due June 1, 1987

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on June 1, 1980 at the principal amount thereof \$321,000 principal

Outstanding Debentures of U.S. \$1,000 Each of Prefix "M" Bearing Serial Numbers Ending in the Following Two Digits:

Also Debentures of Prefix "M" Bearing the Following Serial Numbers:

On June 1, 1980, there will become end be due and payable upon each Debenture the principal mount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment therein of public and private debts, at the option of the holder, either (a) at the trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015, or (h) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca erciale Italiana in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algemene Bank Nederland N.V. in Amsterdam or the main office of Krediethank S.A. Luxembourgeoise in Luxembourg-Ville.

Debentures surrendered for redemption should have attached all unmatured coupons appurtenant thereto. Coupons due June 1, 1980, should be detached and collected in the usual manner. From and after June 1, 1980, interest shall cease to accrue on the Debentures herein designated

> ENTE NAZIONALE IDROCARBURI By: MORGAN GUARANTY TRUST COMPANY

April 24, 1980

THE LONG-TERM CREDIT BANK OF JAPAN, LIMITED

U.S. \$10,000,000

Negotiable Hoating Rate Certificates of Deposit

Maturity Date 22nd March, 1983

Managed by

LTCB International Limited

March, 1980

Report

Dividend

Announcement

for the six months ended 31st March 1980

Nedbank

Group

Limited

and

The accelerated pace of the economy and the competitive climate have had a stimulating effect on The Nedbank Group.

The unaudited net operating income after tax and after transfers to internal Reserves attributable to shareholders of the Nedbank Group Limited for the six months ended 31st March 1980 amounted to R27 350m which represents an increase of 34.6% on the same period last year. Earnings per share for the period under review increased from 23,4 cents to 31,0 cents.

The six months to the end of March 1980 saw a sharp upsurge in the pace of the South African economy - a welcome development after twenty one months of uncertain recovery. The acceleration followed an increase in real personal disposable income which, in turn, led to a higher level of real consumer spending (particularly on durable and semi-durable goods). Despite the bigger spending, personal savings rose substantially as did the savings of the government and corporate sectors. With the balance of payments in substantial surplus (mainly as a result of an increase in export earnings, with gold in particular) the liquidity of the banking system grew rapidly. Domestic interest rates dropped to even lower levels. The stimulatory but conservative Budget of March 1980 will ensure that the economy will stay on the new and higher

growth trend it achieved during the first half of the company's financial year. The accelerated pace of the economy and the competitive climate have had a stimulating effect on the group and despite increased operating costs, profits have increased by 35% (22%) in comparison to the corresponding

The prevailing business confidence in South Africa and the improved economy should make for a sustained growth in the group, for which the group is geared.

For and on behalf of the board Dr. F. J. C. Cronjé, Chairman Mr. G. S. Muller, Chief Executive and Senior Deputy Chairman

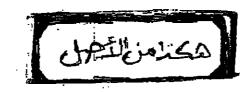
R47 393 R20 310 R36 709

nears amounted to R5 150 000 at 31st March, 1980 (R4 000 000).

An interim dividend in respect of the year ending 30th September, 1980 of 11,0 cents (8,5 cents) per share has been declared payable to shareholders registered in the books of the company at the close of business on 9th May, 1980. The transfer books and register of members will be closed on 10th May, 1980 and re-open on 19th May, 1980. Dividend cheques will be posted on or about 2nd June, 1980. Non-resident shareholder's tax will be deducted where

D. A. Peterson, Secretary

Sangar Paradera incornation		<u>. </u>			
		6 months to 31,3.80 ' 000's	6 months to 31,3.79 000's	12 months 10 30.9.79 000's	12 months to 30.9.78 000's
Issued and fully paid shares of R1 each		88 154	86 899	87 540	86,168
Group shareholders' funds		R243 218	R212 696	R224 312	R197 874
Taxed income available to Nedbank Group shareholders		R27 350	R20 310	R47 393	R36 709
Earnings per share		31,0c	23,4c	54,2c	42,6c
Dividend per share		11,0c	8,5c	27.0c	21,0c
Total assets		R4 172 302	R3 465 444	R3 718 712	R3 286 694
Credit facilities to the public		R1 381 271	R1 325 187	R1 366 143	R1 319 503
Deposits of public and other accounts		R2 755 574	R2 424 324	R2 591 550	R2 328 261
Ratio of deposits etc. to total shareholders' funds	,	10,9:1	10,9:1	11,1:1	11,3:1



Pao interest Bankorp to lead record diesel plant leasing deal

Africa

Perkins

vehicle diesel

THE LARGEST South African Bankorp, the smallest of years, and flexibility over com-leasing operation yet has been South Africa's five major bank missioning dates of the plant arranged—with the Bankorp ing groups, wen the leasing and the structuring of the INTERNATIONAL group, led by Trust Bank, deal in competition with both lease at the time of commis-(Holdings), one of the listed being chosen to finance a major Barclays Bank, in association sioning of the plant part of the R300m (\$374m) with Nedbank, and the Stancompanies in the Sir Yue-Kong Atlantis Diesel Engine plant dard Bank Group. being built in the Western

Pao shipping empire, has reached agreement for acquisition of a stake approach-The leasing package, details said the consortium, which Perkins and Daimler-Benz will ing 30 per cent in the Hongkong of which have yet to be Kowloon Wharf and finalised, will cover some Godown Company from com-R160m (\$199m) of the cost of the Bankorp group, as well as panies owned and controlled by capital and equipment at the Trust Bank, had been "selected Sir Yue-Kong Pao and his family, at a cost of HK\$1.57bn (around U.S.\$320m). factory, which is intended to for further negotiation." make South sufficient in engines, with licencing agree-

ments

Daimler-Benz.

with.

SOUTH AFRICA'S largest in-

surance company, the Old

Mutual, plans to rationalise and

restructure its holding in the

per cent (and the largest) in-terest worth R35.9m (\$44.7m)

BY JAMES FORTH IN SYDNEY

ANSETT TRANSPORT Indus-

tries has bought a 7per cent

interest in Santos, the major

partner in the Cooper Basin

natural gas and liquids fields in South Australia, from interests

associated with Mr Alan Bond,

the Western Australian busi-

nessman. Ansett, which is con-

trolled by News Corporation, headed by Mr Rupert Murdoch, and Thomas Nationwide Trans-

port, headed by Sir Peter

Abeles, has agreed to buy 3.5m

Santos shares at A\$7.00 a share
—a total of A\$24.5m

It has already paid A\$14m for 2m shares, and will obtain the other 1.5m shares by the end of

The Bond group is expected

to use the funds from the Santos

sales, together with A\$20m

from a syndicated loan now be-

ing finalised to make a fresh

move upon White Industries.

ported by the Japanese group, Mitsubishi claim to have the

support of more than 50 per cent of White's capital follow-

ing a sharehmarket contest in

three days from A\$8.00 to more than A\$30.00.

The White camp has publicly

claimed that Mr. Bond has stated that Bond group interests have gained control of 45 percent of the capital of White,

but the listed Bond Corporation

has to date only admitted to a

over 25.8 per cent of White mean

New South Wales coal group. Theboard of White, sup-

(U.S.\$27.1m).

The 28.5m shares apart. World International will pur-chase 650,000 Wharf warrants at HK\$210' each.

At the same time, World International will purchase from the Pao family companies six Liberian shipping companies, each owning one ship, for HK\$320m-a price reached after valuation of the ships at about HK\$650m, and allowing for bank loans and other liabilities of around HK\$330m.

The shares acquisition is to take place in two parts, the first involving 21.9m shares, costing HK\$1.20bn, equivalent to 20 per cent of Wharf's fully diluted share capital. To finance this purchase, World International proposes a one-for-one rights issue to raise around HK\$225m It also proposes to issue 215m deferred shares at HK\$3.30 each and 100m ordinary shares at

The second stage is to be financed with the issue further deferred shares at HK\$3.30, ranking pari passu with the first.

Sir Yue-Kong Pao and his family do not intend to take up their entitlement under th rights issue, since this would mean less than 25 per cent of the enlarged share capital being held by the public.

It is proposed that a subsidiary of Cheung Kong (Holdings) will acquire about 200 per cent of the rights issue shares. nil paid, from Sir Yue-Kong Pao and family and take up such shares for HK\$50m. The balance of the rights issue will be underwritten by Wardley.

Estimated consolidated net profit of World International for the year to March 31 is put at not less than \$HK73.5m for the year ended March 31, up 16 per cent. The dividend for the year to March, 1981, is expected

BY JIM JONES IN JOHANNESBURG based on Tiger's markflet price change price of 455 cents of RI5. At the same time, the ques-

tion arises of the control of

food processor and distributor

A statement issued by

Atlantis Diesel Engine (ADE)

includes the Central Merchant

Bank and Santambank from

The company listed several

factors influencing its choice,

including a favourable fixed

leasing rate resulting in the

lowest lease payments over 10

Old Mutual restructures portfolio

feed and related sectors. Full Imperial Cold Storage.
Old Mutual has a 20 per cent details are expected to be released within two weeks but stake in that company worth according to Mr Frans Davin, Old Mutual's managing director, R14.7m at current market prices, while a further 16 per cent worth R11.8m is held by the moves are prompted, in part, by a wish to pre-empt Tiger, and 17 per cent worth possible predatory moves against Tiger Oats, the diver-sified food group in which Old Mutual holds a strategic 21.3 R12.5m by the investment company, Common Fund. Old Mutual holds 27.4 per

cent of Common Fund worth R9.1m based on that company's current Johannesburg stock ex-

Bond sells Santos stake to ATI

A\$45m to be obtained from the

Santos sale and the syndicated

loan would be sufficient for the

Bond group to acquire a 45 per

The Ansett purchase of Santos shares would lead to the

unravelling of the complicated shareholding structure which

arose after the South Australian

Government last year passed

legislation to force the Bond

group to reduce its stake from

per cent. The Cooper Basin supplies Sydney and Adelaide's

natural gas requirements and the potential for oil reserves has

Ansett, which is one of the

biggest consumers of energy in

the country sees the Santos purchase as a significant invest-

ment in energy. If the Cooper

oil producing area it would give

Ansett an offset to future increases in fuel prices.

reduced its stake in Santos to

15 per cent it has entered into

2m shares already bought by

Ansett come from such an

recently entered into an agree-

ment to buy 3m shares in

Santos to support an A\$20m loan obtained by the Bond group

from the Hong Kong-based

Ansett agreed, if necessary,

merchant bank, Wardleys.

Although

February in which the price of various "buy-back" arrange-White shares soared within ments over further parcels. The

holding of 5 per cent. However. Ansett agreed, if necessary, it has been widely reported that to buy the Santos shares at

Mr. Bond has some arrangement A\$3 each. The latest deal will

been significantly upgraded

7.5 per cent to maximum of 15

cent stake in White.

held by Mr. Kerry Packer's Con-financing will

solidated Press Holdings. The unwind. The Bond group is

In general, Old Mutual's policy is that its investment interests are not used to exer cise management control. But when it comes to strategic hold ings such as that in Tiger, activ portfolio management is needed if the risk of control passing by defaut to competing life assur-

Banking sources estimate that some R36m of the R160m

items, and the agreement with

result in substantial further

imports of spare parts in the

ADE, which is wholly-owned

by the quasi-government Indus-

trial Development Corporation

is expected to start production

next year, building up to full

production capacity of 45,000 engines a year by 1983.

first five years of operation.

ers is to be avoided. The shares of Tiger, Common Fund, and Imperial Cold Stor-age have been suspended from trading on the Johannesburg Stock Exchange until negotiations on rationalisation plans

involved in a major reshuffling

of its assets to simplify the

group structure, which is expected to lead to further

changes to its Cooper Basin and

GIB to expand capital by 150%

THE BAHRAIN BASED International Bank (GIB) which held its general assembly in Doha last week has announced a 150 per cent will be spent on imported increase in capital, to support the growth of its operations. The authorised capital, subscribed by the Governments of the seven shareholding states Bahrain, Saudi Araka, Kuwais Qafar, UAE, Iraq, and Oman); is being raised for the first time since GIB's establishment in 1975. From BD40m (\$106m) to BD100m (\$265m). The in-crease will be called up from

next January. Total assets at the end of 1979 were \$1.5bn, but have risen to \$2bn in the first quarter of this year, due to increases in inter-bank business and growth of the loan port-felio. Profits for 1979 were

*Commonwealth bond issues now on tap

CANBERRA-The Australian Government's new tap stock system for the continuous issue of Commonwealth bonds will start on April 30, Mr. Eric Rebinson, the Finance Minister.

The tap will replace the pre vious periodic issues, and the yields on bonds issued through it will have a direct effect on local authority leans. Government in December replaced the continuous Treasury note issue system with issues by periodic tender.

The first bonds issued through the tap will be some A\$500m of 11.5 per cent April 1982 stock and about A\$250m of 11.7 per cent April 1985. Reuter

mining investments.

Investments Limited

Extract from provisional a

Year Ended 29.2.80 282.79 Rands 000 Rands 000 65,000

Net Profit attributable to

Earnings per share 93.9 cents 59.9 cents Proposed Final Dividend 28 cents · 20 cents

* Record Turnover up 21.5% ★ Record Earnings ир 56.6%

Dividend 33 cents for year up 32% Dividend Cover 2.8

20 New Retail Stores opened in year bringing total of Central News Agency Bookshops to 217. C.N.A. INVESTMENTS LIMITED

Corner Commissioner and Rissik Sts. Johannesburg 2000

PAULAR, EMPRESA PARA LA INDUSTRIA QUIMICAS.A.

EMPRESA NACIONAL DEL PETROLEO S.A. (ENPETROL)

> US\$18,000,000 MEDIUM TERM LOAN

> > managed by

Creditanstalt-Bankverein

Bank für Oberösterreich

und Salzburg

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

Österreichische Länderbank

and provided by

Girozentrale und Bank der österreichischen Sparkassen

Österreichische Länderbank

Aktiengesellschaft

Bank für Kärnten Aktiengesellschaft

Bankfür Tirol und Vorarlberg Aktiengesellschaft

Agent Bank



AEY RATES

Dollar steady

nantes and Markets

and the

THE DOLLAR recovered from within the European Monetary System, and showing a stronger tendency against the dollar, after a weakness caused by expectations of a continuing balance of against the D-mark compared with DM 1.7985 previously and The D-mark showed little change SwFr 1.6690 against SwFr 1.6710 on balance against its EMS participal from the Swiss franc. The interms of the Swiss franc. The carrier of the Swiss franc and Danish kroner, but in terms of the Swiss franc. The dollar's recovery came despite franc and Danish kroner, but improving in terms of the Dwish kroner, but improving in terms of the Dwish former shap the dealers suggesting guilder and Belgian franc. The first its rise reflected a little dollar was fixed slightly lower at the bank support and demand DM 1.7956 compared with DM guilder and Belgian franc. The dollar was fixed slightly lower at end of month book squaring 1.7962 on Monday, but improved approaches. Euro-dollar rates in later trading despite a furoperations Euro-dollar rates in later trading despite a fur-tion grammonth against 15; per cent for Monday and 17; per cent a Monday and 17; per cent a Monday and 17; per cent a Monday and 17; per cent for Monday and 17; per cent a Monday and 17; per cent a Monday and 18; per cent for against against 16; per cent for Monday, but improved in later trading despite a fur-tient fall in Euro-Dollar interest rates. There was no intervention by the Bundesbank at the fixing, but there may have been some small messure of support for the U.S. unit outside the fixing. Ster-ling lost ground to DM 4.1020 from DM 4.1200. ors from 86.7.

BELGIAN FRANC-No longer the weakest member of the EMS, Sterling fell more sharply helped by high interest rates and currencies, mainly as a result of brofit taking. It was also weak necessary—The Belgian franc against European currencies fall-ing from DM 4.1061 to DM 4.0850 gainst the D-mark and to FFr 9.5350 from FFr 9.5875 against lost ground against other EMS currencies in Brussels yesterday and was lower against the dollar the French franc. Its trade seighted index slipped to 73.2 from 73.7, having stood at 73.4 at noon and 73.6 in the morning. The pound may also have been affected by reports that a fall in TK interest rates as soon as no and sterling. The U.S. unit rose to BFr 28.87 from BFr 28.565 and sterling was higher at BFr 69.0575 compared with BFr 65.98. The D-mark was fixed at BFr 16.0440, up from Monday's figure of BFr 16.0245, while the French UK interest rates as soon as pos-title was the main priority of

shie was the main priority of shies was the main priority of shies was the main priority of shies was the dollar, sterling weak within the EMS and suffering two devaluations in 1979—1975 as the dollar recovered.

Much of the day's trading took mixed in Copenhagen yesterday, losing ground at the fixing in the state of the day's trading took mixed in Copenhagen yesterday, losing ground at the fixing in losing ground at the fixing in terms of the D-mark and the \$2.2775, but towards the end of terms of the day selling out of New York French in extremely thin trading saw the against against the Belgian franc and Dutch guilder. The U.S. dollar eased to DKr 5.6135 from DKr 5.6295 and sterling was lower at DKr 12.8070 compared with DKr pound fall to \$2.2670 before com-ing back to close at \$2.2695-\$2.2705, a fall of 1.35c from Monday. DKr 12.8070 compar DMARK—Slightly improved 12.9185 on Monday.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 29	% change from central rate	% change adjusted for divergence	Divergence limit %
Salgian Franc	39.7897	40,2347	+1.12	+0.32	±1.53
	7.72336	7,84842	+1.62	+0.82	±1.64
	2.48208	2,51188	+1.20	+0.40	±1.125
	5.84700	5,85201	+0.09	-0.71	±1.3557
	2.74362	2,77798	+1.25	+0.45	±1.512
	0.868201	0,677447	+1.38	+0.58	±1.868
	1157.79	1178,62	+1.80	+1.51	±4.08

THE DOLLAR SPOT AND FORWARD

April 29	ebtesq	Close	One month	% p.s.	Three months	%. p.a.
UK†.	2.2870-2.2920	2.2695-2.2706	0.63-0.53c pm	3.07	1.17-1.07 pn	1.97
†bnaisní	2,0540-2,0680	2.0540-2.0560	0.80-0.70c pm		2.00-1.75 pm	
Canada	1.1857-1.1898	1.1895-1.1898	0.04-0.09e dis		0.10-0.16dis	
Nothing.	1.9780-1.9945	1.9930-1.9945	0.68-0.59c pm		2.16-2.08 pm	
Belgıum	28.73-29.01	28,93-28,95	4-70 dis	-2.28	5-10 dis	-1.04
Denmark	5.6145-5.6335	5. 6275-5.8300	2.00-2.50ore dis	-4.80	5.50-6,00dis	~4.09
W. Gor.	1.7880-1.8076	1.7975-1.7885	0.75-0.65pf pm	4.67	2.50-2.40 pm	n 5.45
Portugal	49.10-49.40	49.25-49.40	15-30c dls	-5.47	40-90 dis	-5.27
Spain	70.25-70.70	70.60-70.70	20-35c dls	-4.57	65-85 dîs	-4.25
italy	843.25-846.70	845.00-845.75	1-2lire dig ·	-2.13	3½-6 dis	~2.01
Norway	4.9230-4.9330	4.9230-4.9260	0.50-0.10ore pm	0.85	2.00-1,50 pn	1.42
Françe	4,1800-4.2046	4.1990-4.2010	0.55-0.45e pm	1.43	2.05-1.85c p	m 1.86
Sweden	4.2330-4.2500	4.2395-4.2400	0.40-0.20ore pm	0.85	1.20-1.00 pn	1.04
Japan	237,75-239,75	239.20-239.30	0.60-0.40y pm		1.35-1.15 pa	
Austria	12,75-12.854	12.844-12.954		4.34	16.00-13.00p	
Switz.	1.6570-1.6790	1 6685-1.8695	1.30-1.20c pm	2.99	3.65-3.55 pm	2.63

† UK and Ireland are quoted in U.S. currency. Forward premiums and

THE POUND SPOT AND FORWARD

Spread 2.2670-2.2920	Closo	One month	0.2.	months	
2.2670-2.2920			P	monus	p.a.
	2.2695-2.2705	0.63-0.53c pm	3.07	1.17-1.07 pm	1.97
2.6980-2.7200	2.8990-2.7000	0.65-0.55c pm	2.67	1.20-1.10 pm	1.70
4.50-4.55	4.50%-4.51%	31,-21c pm	6.98	8-7 pm	6,65
85,60-66,05	65.65-85.75	15-5c om	1.83	25-15 pm	1.22
12,77-12,87	12.7712-12.7812	2-33ore dis	-2.70	6's-7's dis	-2.21
1.1040-1.1115	1.1050-1.1060	0.10-0.05p pm	0.81	0,37-0,32 pm	1.25
4.072-4.133	4.08-4.09	3-2pf pm			7.83
111.70-113.00	111.80-112.00	par-40c dis	-2.14		-3.22
150.20-161.10	160.50-160.60	par-70c dis			-2.05
1,918-1,933	1.9181-1.9191-	21-1-lire om	0.94	3pm-13 dis	-0.05
			3.35	10-8½ pm	3.26
9.53-9.60	9.53-9.54	41-31 ₂ c pm			4.61
9.61-9.72	9.62-9.63	314-212 ora pm			3,06
540-552	542 ¹ 2-543 ¹ 2	3.05-2.55v pm			4.16
29,12-29.33	29.15-29.20	20-15gro pm			6.44
3.78-3.84	3.7812-3.7912	414-314C pm	11.87	10 ¹ չ-9 ³ լ pm	10.42
	4.50-4.55 65.60-66.05 65.60-66.05 12.77-12.87 1.1040-1.1115 4.077-4.13 111.70-113.00 160.20-161.10 1.918-1.933 11.18-11.31 9.53-9.60 9.61-9.72 540-652 29.12-29-33	4.50-4.55 65.60-68.05 65.65-65.75 1.1040-1.1115 1.050-1.206 4.07-4.131- 111.70-113.00 180.20-161.10 19.18-1,933 1.918-1,933 1.918-1,933 1.918-1,939 1.1.8-11.191- 9.53-9.60 9.53-9.54 9.61-9.72 9.62-9.83 542-5431- 29.12-29.33 29.15-29.30	4.50-4.55 4.50-4.6513 65.65-86.75 15-6c pm 1.77-12.78 1.1040-1.1115 1.1050-1.1060 4.07-4.1312 4.08-4.09 111.70-113.00 111.80-112.00 160.20-161.10 160.50-160.60 1918-1.933 1.918-1.933 1.118-1.131 11.18-1.1192 9.53-9.60 9.53-9.54 4.73-c pm 4.78-3.84 3.78-3.84 3.78-3.782 20-165 pm 3-2i pm 10-0.05 pm 3-2i pm 1-20 dis 1-20 pm 1-20 dis 1-31 pm 1-31 pm 1-32 pm 3-2-3 pm 3-2-3 pm 3-2-3 pm 4-3-3 pm 3-2-3 p	4.50-4.55 4.50-4.51\(\) 3\(\) 2-2\(\) c pm 4.50-4.55 65.65-86.75 15-6c pm 1.83 1.1040-1.1115 1.1050-1.1060 0.10-0.05p pm 2.27\(\) -12.78\(\) 2-3\(\) core dis 4.07\(\) -4.13\(\) 4.08-4.09 111.70-113.00 111.80-112.00 110.50-160.60 1.918-1.933 1.918\(\) -1.933 1.918\(\) -1.933 1.918\(\) -1.933 1.918\(\) -1.912\(\) 2-3\(\) pm 11.18\(\) -1.13\(\) 11.18\(\) -11.19\(\) 4-2\(\) core pm 11.18\(\) -1.31 11.18\(\) -1.11\(\) 5 9.53-9.54 9.53-9.54 4\(\) 3\(\) -2.57\(\) pm 5.03 5.04 5.05 5.05 5.18 5.18 5.18 5.18 5.18 5.18 5.18 5.1	4.50-4.55 4.50-4.51½ 85.66-86.05 85.66-86.75 15-6c pm 15-6c pm 15-6c pm 1.10-0.05p pm

Belgian rate is for convertible francs. Financial franc 86,80-66,90

Six_m	onth f	orward do	llar 2,35-2.2	5c pm. 12-month 3.	.95-3.80c (pm.
CURF	RENG	CY RA	TES .	CURRENCY	MOVE	MENTS
April 28	Bank rate	Special Drawing Rights	European Currency Unit	April 29	Bank of England Index	Morgan Guaranty Changes %
Sterling	654 14 13 7 91 ₂ 91 ₃ 15	0,564827 1,29656 1,53902	0.609663 1.59826 1.65428 17.9977 40.2035 7.86662 2.77471 5.86161 1181.88 358.239 6.90182	Sterling U.S. dollar U.S. dollar Canadjan dollar Austrian schilling Beiglan franc Danish kroner Deutsche mark Swiss franc Guilder French franc Lire Yan	79.8 156.0 115.4 106.8 155.6 197.7 124.6 101.0	-32.8 -6.5 -18.3 +24.3 +14.0 -4.4 -45.1 +79.2 +18.8 -8.9 -50.6 +18.2
Spanish Pts Swedish Kr Swiss Fr	10	91,2778 5,50040 2,16137	98,4796 5.93310 2.33440	Based on trade we Washington agrees (Bank of Fooland)	nent Dece	mber, 1971

OTHER CURRENCIES

April. 29	£	.		£ Note Rates
Argentina Peso	4045-4066	1778-1785	Austria	28,95-29,25
Australia Dollar	2,0350-2,0390	0.8960-0.8965	Belgium	66,30-67,00
Brazil Cruzeiro		48,86-49,06	Denmark	12.76-12.83
Finland Markka	8.46-8.46	3,7200-5,7220	France	9.54-9.60
Greek Drachma	95,635-97,871	41.85-42.15	Germany	4.10-4.1312
Hong Kong Dollar	11.08-11.10	4.8850-4.8925	Italy	1890-1945
Iran Rial	n/a		Japan	543-54B
Kuwait Dinar(KD)	0.617-0.627	0.2718-0.2719	Netherlands	4.62-4.6512
Luxembourg Frc.		28,93-28,95	Norway	11.20-11.27
Malaysia Dollar		2,2330,2,2380	Portugal	1081:-1121:
New Zealand Dir.	2.3470-2.3520	1.0330-1.0345	Spain	1574-1651
Saudi Arab, Rival.		3.3295-3.3305	Sweden	9.56-9.73
Singapore Dollar.			Switzerland	5.7712-3.801e
Sth. African Rand	1.8160.1.8170	0.8000-0.8005	United States	2,275-2,284
U A.E. Dirham		3.7825-5.7835		4812-51
	<u> </u>		10 2221000	

EXCHANGE CROSS RATES

<u> </u>										
. АргЛ 29	PoundSterling	U.S. Dollar	Deutschem's	Japan'seYen	FranchFranc	Swiss Franc	DutchGuild'	italian Lira	Canada Dollar	Belgian Franc
Found Sterling	1.	2.270	4.085	548.0	9.535	3.790	4.513	1919.	2.700	65.70
U.S. Dollar	0.441	1.	1.800	239,2	4.200	1.670	1,988	845,4	1.189	28.94
Peutschemark	D.245	0.556	1.	132,9	2,834	0.928	1,105	469,8	0,661	16,08
Sepanese Yen 1,000.	1,842	4.180	7,583	1000.	17.56	6.980	8,310	3534.	4,971	121,0
renck-Franc-10	1.049	2,381	4,284	569,5	10,	3.975	4.733	2013.	2,831	68.90
Swiss Franc	0,264	0,599	1.078	148,8	2,516	1.	1.191	506.3	0,712	17,34
Dutch Guilder	0,222	0.503	0.905	120.5	2,115	0.840	1.	425.3	0,598	14.56
Ballan Lira, 1,000	0,521	1.183	2.129	283,D	4,969	1.975	2,351	1000.	1,407	34.24
Genedian Dollar	0,370	0.841	1.513	201.1	3,532	1.404	1,572	710.8	1,	24.84

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit; one-month 14.10-14.20 per cent, three-months 14.05-14.15 per cent; situation 13.15-13.25 per cent, one year 12.30-12.50 per cent

						Mark Comes				
April 29	Sterling	U.S.Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian S	Japanese Yen
Short term	171a-1714	124-121 ₂ 127 ₆ -131 ₈ 141 ₂ 143 ₄ 143 ₄ -15	15-16 15-16 15-15m 151g-151g	10-1014 1018-1048 1014-1019 1014-1019	12-15 23 ₄ -31 ₄ 51 ₂ -58 ₉ 6-2-5 1 8	91g-914 91g-914 9-914	12½ 12½ 13½ 12½ 125: 12½ 125: 12½	12-14 151 ₂ -161 ₂ 18-171 ₂ 161 ₂ -171 ₂	13-1314 127g-13 143g-141g 145g-143g	1012-11 1114-1112 1112-1158 1234-13
Sx months		14-144	1474-1459	1014-1019	614-63g	9.91g 859-834	1212-1316 1316-1326	16-17 1610-1710	187g-14 127a-15	121g-125g 107g-117g

Long-term Eurodoller two years 121-13 per cent; three years 124-124 per cent; four years 12-125 per cent; five years 12-125 per cent; nominal closing rates are cell for starling. U.S. dollers, Canadian dollars and Japanasa yen; others two days' notice. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Quiet trading Frankfurt rates firm

firm in Frankfurt yesterday, reflecting uncertainty over today's meeting of the Bundesbank central council, and heavy end of month revenue transfers out of the market. With U.S. interest these continuing to show an asser tendency, the market is not expecting any change in rates int expecting any change in rates after today's meeting, but for the time being rates are remaining firm. As the cost of short-term money reached 9½ per cent to banks were reported to have obtained funds through the Lombard facility, and call money cased back slightly to 9.4 per cent. End of month social assurance payments were likely to drain a large amount of liquidity from the market, and were cited as another reason for A QUINICASA

yere cited as another reason for the strength in short-term money lates. Call money stood at 9.4 Per cent yesterday up from 9.20 Per cent on Monday. Longermostly rates were thchanged.

(() S. L

In Brussels the Belgian Central Bank reduced its special Lombard rate to 17 per cent from 18 per cent. All other rates remain the same. The special Lombard rate is applied when banks have consumed their normal monthly advances, under the ordinary Lombard facility currently charged at 15 per cent, and marks another step in the authorities' recent shift towards lowering interest charges in On Monday rates on two and three-month Treasury bills were lowered to 17 per cent,

MONEY RATES

9.35 9.35

9.5

12,50 12,5625 12,6875

NEW YORK

Fed. Funds

GERMANY

FRANCE

Overnight Rate

Discount Rate
Call (Unconditional)
Bills Discount (three-month)

reflecting the authorities' success in hauling the Belgian franc off the floor of the EMS by means of record interest rates and heavy central bank intervention.

UK MONEY MARKET

Further

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979) Day to day credit continued to be in short supply in the London money market yesterday, and the authorities gave assistance on a very large scale. This comprised. small purchases of Treasury bills, Apart from the Treasury bills all the bills were bought on a sale and repurchase basis. The authorities also lent a large amount to 7 or 8 houses at MLR

for repayment today. The market was faced with the repayment of Monday's very large lending, but on the other side banks brought forward per cent and 17 per cent. In the

Gold finished \$7 an ounce lower than Monday's close in the London bullion market yesterday at \$516-521. The metal opened at \$505-510 and rose in quiet trading to a morning fixing of In Paris call money was quoted at 12; per cent unchanged from Monday, while period rates also remained static.

\$513. In the light of current uncertainties in the Middle East. there was a general lack of sell-ing interest and the metal rose

was fixed at DM 29,620 per kilo (\$514.55 per ounce) against DM 31,030 (\$537.04) previously, and closed at \$512-517, compared slightly at the afternoon fixing

Monday. In Zurich gold closed at In Paris the 121 kilo bar was \$517-522 against \$522-527 pre-fixed at FFr 72,200 per kilo viously.

	April 29	1 /	prii 28
	Gold Buillon (fine o	unce)	
Close	(£227,8-22914) (£221 ₂ -22234) (£224,655) (£225,477)	\$523-528 \$533-538 \$535,25 \$524,25	(£228,8-231_0) (£232,1-234,5) (£233-052) (£228,382)
_	Gold Coins		
Krugerrand	(£234-237) (£238-234) (£58-58) (£581 ₂ -70) (£681 ₂ -70)	\$535-539 \$524-534 \$132-134 \$158-161 \$158-161 \$158-161 \$158-161 \$52-660 \$519-527 \$640-650	(£234-£37) (£2861 ₂ -£33 ₂) (£571-581 ₂) (£59-71) (£69-71)

ments over revenue transfers to the Exchequer. loans at the start and closing taken at 171-171 per cent. balances were taken between 161

balances a moderate way above interbank market overnight loans target, and there was a small opened at 171-171 per cent and excess of Government disbursements over revenue transfers to while before coming back to 171the Exchequer.

Discount houses were paying up to 17 per cent for secured call cent but closing balances were Rates in the table below are

(\$535.70 per ounce) compared with FFr 72,000 (\$535.10) in the

morning and FFr 74,500 (\$552.36) on Monday afternoon

with \$523-528 per ounce on

In Frankfurt the 124 kilo bar

LAURAN MONEY PATES

L,C	LONDON MONEY RATES										
	April. 29 1980	Sterling Certificate of deposit	interbank	Local Authority deposits	Local Auth. negotiable bonds	House	Company Deposits		Treasury	Eligible Bank Bilis ě	Fine Trade Bills Ø
7 da 7 da 7 da One Two Thre Six : Nine One	r night	1712-1716 1732-1716 1732-1718 1632-1614 1532-1512 1532-1515	1654-18 1716-1734 1716-1748 1714-1748 1716-1716 1636-1612 1634-1578 1534-1538	1758-1734 1754-1778 1756-1755 1719-1729 1658 1534-16 1556-1578		1775 1775 1772 1773 1775 1775 164 164 164	175g 177g 177g 177g 1734-177g 17 165g 165g	164	 1578-159 16分-16份 		1734 1712 17 1578

Local authorities and finance houses seven days' notice, others seven days' fixed. *Long-term local authority morrgage rates nominally three years 154-15% per cent; four years 15-15% per cent; five years 144-15% per cent. #Benk bill rates in table are buying rates for prime paper. Buying fates for four-month bank bills 16%-16% per cent; four-month trade bills 16% per cent.

per cent.

Figures Houses Base Rates (published by the Finance Houses Association) 18 per cent from April 1, 1980. Clearing

Figures Houses Base Rates (published by the Finance Houses Association) 18 per cent from April 1, 1980. Clearing

Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury

Bills: Average tander rates of discount 16.0629 per cent. 9_ 12.175 13.875

WORLD VALUE OF THE POUND

except where they are shown to be otherwise. In some cases markt retes have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, (Bas) basic rate: (bg) buying rate; (F) free (Bk) bankers' rates: (cm) commercial rates: The table balow gives the lasst available rates of exchange for the pound against vurious currencles on April 28, 1980. In some cases rates are nominal. Market rates are the average of buying and selling rates (Bk) bankers' rates; (cm) commercial rate; (en) convertible rate; (in) linea-cial rate; (exC) exchange certificate rate; (k) Scheduled Territory; (nc) non-commercial rate; (nom) nominal; (e)

PLACE AND LOCAL	UNIT ESTERLING	PLACE AND LOCAL UNIT .	£ STERLING	PLACE AND LOCAL UNIT	E STERLING
Afghanistan Aighan Albania Lek	100.0 10.25	Greenland Danish Kroner Grenada (3) E. Caribbean \$	12,8525 6,20	Peru	exc(A) 637,73 15.55
Algeria Dinar Anderra Frenc Span	10.25 8. 7880 9.5875 sh Peseta 160.60	Guadaloupe Local Franc Guam U.S. 8 Guatemala Quetzai	9,5875 2,2835 2,2835	Pitosim islands (5) & Sterling New Zealand # PolandZioty	2,3505 (Cm)68.74
Angole Kwanzi Antigua (8) E. Carii Argentina Ar, Pes	52,686 bbean \$ 6,20 b Free Rate 4,064	Guinea Republic Sily Guinea Bissau Peso Guyana (S)	44.10 78.60 5.8230	Portugal	(T)68.74 112.45 112.45
Angole Kwanz Antigua (S) E, Cari Argentina Ar, Pee Australia (S) Austral Austrie Schillin Azores Portug	inn \$ 2,0535 g 29,245 Escudo 112,45	Haiti Gourd Honduras Repub Lempira	11.42 4.6110	Puerto Rico U.S. \$ Qater (S), Qater Ryel	2,2835 6.44
Bahamas (S) Re. Doj Bahrain (S) Dinar	ar 2,2855 0.967	Hong Kong (S) H.K. \$ Hungary Forint	11,14 {(com) 72,2501 {(T)(nc) 47,9895	Reunion lie de la French Franc RómaniaLou	9,5875 (Cm)9,35 (n/c)T25,64
Balearic Isles Spa. Pe Bangladesh(S) Taka Barbados (S), Babado	160,60 34,52 4,5670	iceland (5)	965.0 18.05 1,433.10	Rwanda	199.35 6,20 1.0
Belgium B. Fran Belize B S	e {(am) 65,85 \(fn) 67,20 4,5670	Iran	n/a 0.6724	St. Helena St. Helena & St. Lucia E. Caribbean \$ St. Pierre Local Franc St. Vincent (S) E. Caribbean \$ St. Pierre	6,20 9,5875
Benin C.F.A. F Bermuda (8) Bda \$ Bhutan Indian	ranc 479.375	Israel	1,1105 9,95 1,933.5		8,20 5,75 2,2835
Botawana (S) Pula	1.8060	Jamaica (S) Jamaica Dollar	479.375 4.0725 881.0	Samos American U.S. 5 San Marino	1,985.5 78.75 7.64
Brazii	4 4_9750	JapanYen Jordan (S) Jordan Dinar Kampuchea Riel	0.686(sg) 2.740.2	Senegal	479,376 14,50 (SG) 2,4175
Bulgaria Lev Burma Kyat Burundi Burund		Kampuchea Riel Kenya (S) Kenya Shilling Kiribati Australian \$ Korea (Nth) Won Korea (Sth) Won Kuwait Kuwait Dinar	17.03 2.0535 1.974(II)	Singapore (S) Singapore \$ Solomon Islands(S) Solomon Is. \$ Somali Republic Somali Shilling South Africa (S) Rand	4,9750 1,9480 (A)13,75 1,8590
Cameroon Repub's C.F.A. i Canada	un \$ 2.7105	Kuwait Kuwait Dinar	1,345.92 0,625 917.2	South West African Territories (5) S. A. Rand Spain	1,8820
Cape Varde isle Cape V Caymen islands (8) Cay. Is. Cent. Af. Repub C.F.A. I Chile C. Pesc	Escudo 83.70 1.9030 Franc 479.375	Laos	7,8105 1,8320 2,2835	Spanish ports in North Africa Pesets	160.60
Crina Kenmir	10 TUEN 5.4090	Libya Libyan Dinar Lisephtansteln, Swiss Franc Luxembourg Lux Franc	0.6760 3.81625 65.85	Sri Lanka (S) S. L. Rupee Sudan Republic Sudan £ (1) Sudan Republic Sudan £ (2)	36.62 1.14 1.82
Colombia C. Peso Comoro Islanda C.F.A. I Congo (Brazaville). C.F.A. I	Franc 479.375	Macao	12.15 112.45	Surinam S. Guilder Swaziland (5) Swaziland S. Krona Sweden S. Krona Switzerland Swiss Franc	4,0675 1,8320 9,70125
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ussian rouble. (1) Official rate for exports and imports. (2) Parallel rate for all transactions except apacified rate for except apacified rate.

This advertisement complies with the requirements of the Council of The Stock Exchange.

U.S. \$40,000,000



Banamex

Banco Nacional de México, S.A.

(A private banking institution incorporated in the United Mexican States with limited liability) Floating Rate Capital Notes Due 1987

The following have agreed to subscribe or procure subscribers for the Notes:

Credit Suisse First Boston Limited

Banque Nationale de Paris

Deutsche Bank Aktiengesellschaft Merrill Lynch International & Co.

Nomura Europe N.V.

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The issue price of the Notes is 100 per cent. The Notes have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the Notes.

Interest is payable semi-annually in May and November, the first payment being made in November 1980.

Full particulars of Banco Nacional de México, S.A. and the Notes will be available in the Extel Statistical Service and may be obtained during usual business hours up to and including 13th May, 1980 from the brokers to the issue:

> Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN

29th April, 1980

ESTATES AND GENERAL INVESTMENTS LIMITED

HIGHLIGHTS OF 1979

Year ended 31st December 1978 £000 £000 491 857 Gross investment rental Profit before tax 421 172 609 Profit after tax Ordinary dividends 1.2p 2.99p 1.**4**p Net dividends per share Earnings per share 3.40pDividend cover

- ★ Record profit before tax.
- Gross investment rental now exceeds £1,300,000.
- Directors estimate surplus of approximately £2.5m on investment portfolio.
- If above surplus included, net asset value per ordinary stock unit is 69p-1978: 52p.

U.S. \$35,000,000

Floating Rate U.S. Dollar Negotiatable Certificates of Deposit, due 28th April, 1982

The Tokai Bank, Ltd. LONDON



in accordance with the provisions of the Certificates, notice in accordance with the provisions of the Certificates, notice is hereby given that for the six months interest period from 28th April, 1980 to 28th October, 1980, the Certificates will carry an interest Rate of 15.7% per annum. The relevant interest payment date will be 28th October, 1980.

Merrill Lynch International Bank Limited Agent Bank

Companies and Market	s 		WOF	RTD 210	CK MAI
NEW YORK Stock Apr. 25 ACF Industries 3018 2918	Stock 28 23 Columbia Gas 371g 371g Columbia Pict 317g 315e Cont. Ins. Am 181g 181g	Stock 28 25 Gt. Ati. Pac. Teal 43, 43, Gt. Basins Pet 14 1512 Gt. Nibn. Nekoosa 2918 2914	Stock 26 25 Mass Petroleum 5612 5556 MGM 31 3234 Metromedia 6012 6038	Stock Agr. Apr. Apr.	DOW
AMF 1212 1234 AM Intil 1612 1612 ARA 2763 2728 ASA 4171 4271 AVX Corp. 2554 2414 Abbotts Labs 3893 3914	Combustn. Eng. 52 52 52 52 52 52 52 5	Gt. West Financ'i 1736 1714 Greyhound 1534 1512 Grumman 2614 23 Gulf & Western 1734 1734 1734 Gulf Oija 4018 4058 Hall (FB 2718 2312 1734 Halliburton 9778 944 Hampermill Ppr. 2368 2368	Minnesota MM. 53 5214 Minnesota MM. 53 5214 Missouri Pac. 5254 55 Mobil. 72 72 724 Modern Merchy 819 778 Monarco 88 815 Monarco 72	Scott-Paper 1478 151 Scudder Duc V 105s 10 Sea Contrs 148s 143 Seabrd Coast L 511s 306 Seagram 64 551 Sealed Power 145s 143 Searle (G D 21 21	AIDED BY the rapid d U.S. interest rates over few days, Wall Street of to rally in moderate ea
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Albertson's 183, 183, Alcan Aluminium 25 2478 Alco Standard 261, Alegheny Ludm 27 2578 Alled Chemical 4772 4814 Allied Stores 279 2378 Alpha Portd 1478 143,	Cons Freight 201 2005 Cons Nat Gas 392 394 Const Air Lines 71 1915 Contl Air Lines 71 750 Contl Corp 26 2551 Contl Group 28 2775 Contl Illinois 2765 2755 Contl Telep 1534 1556 Control Data 5275 8234	Heubicin	Naion Chern 518 3014 Nat. Airlines 124 12 Nat. Can 165g 1634 Nat. Detroit 255g 255g Nat. Dist. Chem. 263g 265g Nat. Gypsum 181g 185g Nat. Medical Ent 32 3034	Signode	declines by a seven-to- gin. Trading volume s 18.39m shares from 1 pm total of 21.95m.
Amerada Hess 47 461s	Control Data	Hirson Hotels	Nat. Sethicduotr. 197g 203g Nat. Service Ind. 171g 163g Nat. Standard. 144g 144g Nat. Steel 264g 265g Natomas 381g 377g NCNB 135g 131g NCR 55to 55	Sony	Vania and expected app Federal loan guarant
Am. Elect. Pwr 18½ 18½ Am. Express 35½ 35½ 35½ Am. Gen. inence. 31½ 31¼ Am. Home Prod 255s 25½	Granta 37 67 Grocker Nat 275g 2714 Grown Cork 244g 2414 Grown Zell 40 387g Cummins Eng 2912 2853 Curtiss-Wright 207g 207g	Hoover Univi 1112 1112 1112 1414 1415 1415 1415 1415	New England EL. 2134 2158 New England EL. 2134 2158 New Eng. 1261 3119 5119 NY State & G. 1554 1576 NY Times 20 20 Newmont Mining 35 86 Nag. Mohawk. 125g 125g Nielsen (AC) A. 2134 207g NL Industries 41 41 NLT 185g 19	Sthn Pacific 3014 3014 Sth Rallway 5634 57 Southland 1814 1818 SW Bancshares 2319 2314 Sperry Corp 454 454 Spring Mills 1414 14 Square D 20 19 Squibb 2974 30 Std Brands 265g 2614	However, they add justitutional investors most part held to the sceptical that the rally last, and cautious about national developments s
Am. Medical int. 35% 456 Am. Motors 512 538 Am. Nat Resces. 45% 45 Am. Petfina 38% 37% Am. Quasar Pat. 28% 277g Am. Standard 584 5112	Darmon 434 5 Dans 19 18 Dart Inds 3612 3612 Data Gen 6034 6012 Dayton-Hudson 3714 37 Deera 2976 3014 Delta Air 33 3212 Denny's 1316 1334	Hudson Bay Mng 2014 2034 Hughes Tool 58 5869 Humana 4078 3978 Hunt (Philip Al., 10 10	Norfolk & Westd 275g 283g 11th. Am. Coal 351z 547g 11th. Am. Philips 251z 251z 251z 11th. 11th. 251z 251z 251z 11th. 251z 25	St'd Brds Paint 22 14 2212 St'd Oil C'lifornia 6914 66 3 Std Oil Indiana 102 10113 Std Oil Ohio 94 9412 Stanley Wks 29 14 2912 Stauffer Chem 1614 1614 Stauffer Drug 175s 1754	failed U.S. attempt to American hostages from Motors were higher. (which was due to meet to Guarantee Review Board day afternoon, rose i to
AMP	Diffingham 103 103	Ideal Basic Ind 1884 1848	Nwest Nwes	Stokely Van K	eral Motors hardened and Ford Motor, which day, reported a \$164 quarter loss, nevertheles to \$244. First Pennsylvania d to \$51. Federal Bank re
Armoo	Dome Mines	Int Flavours 1958 1912	Outboard Marine 912 914 Overseas Ship 2014 2014 Owens Corning 2378 2312	Tampax	and a group of private have assembled a \$500m of assistance for the bands aid it exports earning ness short-term but a reprofitability in 1981. American Brands ross
Avnet 2378 244 Avon Product 2594 584e 1584 1594 1594	MI 3 3 3 5 5 144 144	Int. Rectifier 21½ 21½ 11½ 11t. Tel & Tel 25½ 26½ 26½ 26½ 25½ 25½ 25½ 25½ 25½ 20½ 20½ 20½ 20½ 20½ 20½ 25½ 25½ 25½ 25½ 25½ 25½ 25½ 25½ 25½ 25	Owens Illinois	Taxas Comm. 8k 45t; 447s Taxas Eastern 50 58t; 26t; Texas Gas Trn 26t; 26t; Texas Instrints 87t; 86t; Texas 01 & Gas 405s; 327s Texas Utilities 185s; 18 Taxasguif 36t; 373s Taxtron 22t; 217s	S853. on raising the q dividend. Bethlehem Steel; to S204 despite low quarter profits. Sperry, March quarter eprning higher, advanced 14 to 8
Bancal Triat	Astern Ges & F. 188 ₈ 173 ₄ Sastman Kodak 497 ₈ 497 ₉ Saton 231 ₄ 227 ₈ Schlin Mfg 122 ₆ 123 ₆ Sckerd Jack 241 ₈ 237 ₉ Sect. Memories 33 ₄ Sect. Memories 33 ₄	Johns Manville 1914 19 Johnson Contr 1914 2114 Johnson & Jrs 7512 7514 Johnston & Jrs 7512 7714 Johnston Logan. 718 714 Jostens 1978 1912 Joy Mig 5154 K Mart 21 2034	Paim Beach	Thermo Electron; 25 24½ Thomas Betts	Cities Service moved 11 to 893! after raising to Closing prices for America were not ava for this edition.
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NEW YORK-POW JONE	Apr. Apr. 1980 51	nae Cmpilt"in	Apr. Apr. Apr. Apr. 29	1980 High Low	Norcen Energy 33 8234 Nthn. Telecom 4018 40 Oakwood Pet 1731 1754 Omnl 2.50 2.35 Pacific Cooper 3.60 2.35 Pan can Petrol 70 70 Patino 31 31 Placer Dev 5112 5114
26 25 24 25 • Industr'ts 805,45 803,58 797,10 788,25 H'me B'nds 71,14 70,76 70,28 70,34 Transport 258,28 241,19 240,89 248,72	788.85 759.13 905.84 758.13 10 (15/2) (21/4) (7 69.87 69.88 74.01 65.87 (6/1) (28/6)	51,70 41,22 Metals &Minis (193 1/73) (2/7/32) AUSTRIA Credit Aktien (2/1/4	6/68) 4856, 19 4822, 81 (c) 4758, 96	947.47 (14/2), 760.90 (2/1) 8680.95 (14/2), 4581.26 (28/5) 69.48 (7/1), 67.45(11/4)	Power Corp. 141s 137s Quebec Strgn. 4.75 4.85 Ranger Oil. 2654 26 Reed Paper B Pf 97s 97s Reed Stenha A. 77s 8 Rio Algom. 2914 281s Royal Bank. 395s 395s
Utilities 108.65 108.56 109.67 108.15 TradingVol 000° st 30,680 28,580 36,799 42,620 • Day's high 814.68 low 798.72	(8/2) (27/5) (8 107.07 105.24 115.46 98.04 1 18 (15/2) (27/5) (28	5.80 - 12.25 5.80 (\$17.52) 5.52 10.52 4/50) (\$25/4/42) DENMARK Copenhagen SE (1: FRANCE CAC General (25/12	1/75) 77.22 77.30 77.54 78.07	105.75 (11/2) 90.14 (51/5) 86.74 (2/1) 74.78 (6/5) 117.80 (22/8) 97.1 (5/1)	Royal Trustco A. 1312 13
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Ind. PIE Ratto 7.16 Long Gov. Bond Yield 10.86 N.Y.S.E. ALL COMMON	10.48 11.64 Rises a Apr. 28 Apr.	9.11 NORWAY Oslo SE (1/1/72) and Falls SINGAPORE SINGAPORE SINGAPORE	119.17: 119.35: 118.41: 118.77	14,78 (14/2) 110.12 (28/6)	Creditanstalt 356 Landerbank 556 Perimoser 268 Semperit 102 -2 Steyr Daimier 251 -3

429.75 (3/11 1,828 1,843 652 1,015 797 492 379 336 SOUTH AFRICA 60.01 89.73 59.38 68.96 67.77 | 66.80 ; ; ; (18/2) | (27/3) SPAIN Madrid SE (28/12/78) MONTREAL. High 884.72 (17/1, 546.04 546.04; 347.84 547.48 518.15 517.90; 518.66 519.54

1850.3 1848.4 1845.8 1880.7 2192.6 (29/2)

Benguet Boeing Virginia Elec. Caesars World

traded 322,800 326,300 314,500 313,700

price 91, 371, 111,

+ 4

TORONTO Composite

Stocks Closing traded price 406,700 55 331,200 677, 369,600 723, 366,200 19 345,500 253,

on day ÷ 15, - 35, + 15, - 1, + 5,

Dow 4 higher at mid-session

few days. Wall Street continued Gulf Oil announced a Gulf of Street.

The Dow Jones Industrial THE AMERICAN SE Market Portfolios, Foods and Oils were close of the session. The State's Average was 4.35 firmer at Value Index added 2.23 at 252.09 mixed.

All Common Index added 13 shares (2.15m).

The rest rates over the last net earnings more than doubled. Ingite performance on Wall F1 0.70 to F1 113.50.

The Bond market Street were weak in contrast finned after a slow start as heavy to the generally firm trend, while buying was reputred towards the Average was 4.35 firmer at Value Index added 2.23 at 252.09 mixed.

All Common Index added 13 shares (2.15m).

The street were weak in contrast finned after a slow start as heavy to the generally firm trend, while buying was reputred towards the Portfolios, Foods and Oils were close of the session. The State's latest issue of 20 year Bonds were the session's tronget per, at F1 101.50, up 40 cents. cents at \$60.14 and advances led Flow General gained 21 to declines by a seven-to-five margin. Trading volume slowed to Cancer Institute contract to sup18.39m shares from Monday's ply Interferon. 1 pm total of 21.95m.

Analysts said the rescue of financially ailing First Pennsylvania and expected approval of in reasonably active trading yes-Federal loan guarantees for terday morning. The Toronto Chrysler eased fears of the pos-

most part held to the sidelines. sceptical that the rally will not last, and cautious about international developments since the failed U.S. attempt to rescue American hostages from Tebran. Motors were higher. Chrysler. which was due to meet the Loan Guarantee Review Board yesterday afternoon, rose ; to 71. General Motors hardened 1 to 451 and Ford Motor, which on Monday, reported a \$164m first-quarter loss, nevertheless gained to \$244. First Pennsylvania dipped ?

to \$51. Federal Bank regulators and a group of private banks have assembled a \$500m package of assistance for the bank, which said it exports earnings weak-ness short-term but a return to profitability in 1981. American Brands rose 34 to 865%, on raising the quarterly dividend. Bethlehem Steel added

to \$201 despite lower first quarter profits. Sperry, whose March quarter exemines were Mark Eurobonds were steady. higher, advanced 11 to \$47. Cities Service moved ahead 18 to 893; after raising the divi-

Closing prices for North America were not available for this edition.

Canada

Markets were firmer-inclined Chrysler eased fears of the possible failure of a major bank 1,859.6. Golds advanced 30.6 to and a major industrial corporation.

However, they added that institutional investors for the most part held to the sideline. 302.78.

Among Oils, Gulf Canada climbed 31 to C\$1501, Imperial Oil "A" 11 to C\$411 and Dome Petroleum 11 to C\$711.

Germany

Stock prices displayed an easier bias in slack trading with the Commerzbank index losing 2.0 to 693.5. Dealers believed trading was

low key because of the West Ger-man holiday tomorrow and to reluctance by the institutions to enter major new positions towards the end of the month. Motors were broadly lower, with Volkswagen down DM 3.20 at DM 186.80,despite announcing higher profits.

Prices on the domestic bond market were mixed, with the Bundesbank selling DM 19.1m nominal of paper, after buying DM 22.6m the previous day.

Paris

.: 440

74.1 -0.6 374 -1 142.0 -0.5 120.0 -0.6 221.6

272 170

+6

2945 -0 224 -1 43.5 -0.2 57 -0.5 299.5 -0.5 82 +3 187 +1 118.7 -0.4 216.5 274 +1

274 194.0 169.1 243 182.0 260.6 72.5 141.2 132.0 263

Myench Ruck.

SWEDEN April 29

Atlas Cope Bofors Calluiosa Electrolux Ericsson

SWITZERLAND

St. Gobain 131.0 Skis Rossignol 630 Suez 271 Telemech Elect 792 Thomson Brandt 194

GERMANY

BELGIUM/LUXEMSOURG

URBED.

FI4-

2,110 -45 6,400 2,000 +20 985 +26 288 +8 2,200 -40 3,350 -5 2,465 -5 1,300 +2 2,550 -10 1,665 -1 5,500 +20 3,500 +20

Bourse prices were inclined to improve on light volume. Investors had been encouraged Dutch Internationals initially by news of strong 1979 earnings suffer from a weak U.S. dollar. The market was closed yestergrowth by many French com- rate, but partially recovered in day for the Emperor's Birthday panies, the decline in U.S. in-

formers, each posting a gain of 7 per cent on the day. Other issues in demand included Credit Du Nord, Le Henin, Comptoirs Modernes. Ferodo, Dumez, Michelm, Passault, Perrier, SAT, Rhone Barrante, A. P. Passault, Perrier, SAT, Rhone Barrante, A. P. Passault, Perrier, SAT, Rhone Barrante, Perrier, SAT, Rhone Barrante, Perrier, SAT, Rhone Barrante, Perrier, SAT, Rhone Barrante, Perrier, SAT, P Rhone-Poulenc. Applications des Gas, L'Oreal and Carrefour. In contrast, Simnord weakened

6 per cent, while among others losing ground were UCB, Ruche Picarde, CFAO. Alsthom-Atlan-tique and Penarroya.

Hong Kong

Stocks generally advanced in fairly active two way trading lift-ing the Hang Seng index 12.70 more to 875.85

More to 875.85.

Monday's latest cuts in U.S. With overseas interest waning, Prime Rates followed by strength in the Hong Kong dollar led some speculators to expect a slightly in the majority. The reduction in local Prime Rates. However, early empharia, ???? by institutional buying, was tempered later by local investors taking profits.

With overseas interest waning, shares closed on a rather mixed not, although with gains slightly in the majority. The Sydney All ordinaries index percent later by local investors are considered to trade nervously following an unexpected U.S.\$29 fall in the

taking profits.

Hong Kong Land advanced 30 cents to HK\$11.10 and Jardine Matheson 20 cents to HK\$14.30. However, Hong Kong Wharf eased HK\$1 to HK\$65.50 follow-ing New World International Holdings pians to acquire 23.5m shares in the company.

Amsterdam

Mixed share price movements occurred in slow trading, although trade in the Bonds sector was lively and issues rose around 30 to 50 cents. The stock market will be closed for the inauguration of Holland's new Queen today.

Tokyo -

AIDED BY the rapid decline in dend and reporting first-quarter terest rates and the firm over Fi 1.00 to Fi 151.30 and Unilever U.S. interest rates over the last net earnings more than doubled, night performance on Wall Fi 0.70 to Fi 113.50.

Johannesburg Gold shares lost further ground, but later picked up to close above the day's worst. helped by a rally in the ballion

President Brand lost R1.75 more at R39.50 after touching R38.50. East Driefontein receded R1.10 to R24.00. However, among mainly steady Mining. Financials, Gold Flelds SA rose. R3.50 to R73.50. Diamond leader. De Beers recouped an initial fall of 20 cents to close unchanged at R9.20.

Australia

builion price in New York over-night, and leading Miner Central Norseman shed 10 cents fo A\$6.00. Pancontinental receded 30

cents to A\$5.50, but some interest was seen elsewhere in the Uranium sector. Scattered gains included a 40 cents rise to A\$6.50 by Queensland Minesland a 30 cents gain to A\$7.40 by Peko-Wallsend.

Gents to A\$4.50, Valiant 25 cents to A\$1.10 and Utah Mining 10 cents to A\$4.30, but MIM lost 5 cents to A\$4.00.

the afternoon. Royal Dutch shed holiday.

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-(Discount of 251%)

BRAZIL

More zinc producers lower prices

SEVERAL MORE zinc pro-ducers yesterday confirmed that they were lowering their official European price from \$825 to \$780 a tonne. Since the West German smelter, Metallgesellschaft, lifted its price from \$760 to \$780 on Monday, it appears that \$780 is now the accepted level of the ne wEuropean

Zinc values were marginally gisier on the London Metal Exchange yesterday, but this reflected the downward trend in copper and lead, which continued to come under selling pressure. Lead was also affected by the decision of Asarco to cut its U.S. domestic selling price by 2 cents to 40 cents a pound. Noranda later selling price for lead in the U.S. by 2 cents to 42 cents.

in London offerings of more supplies drove the cash price of lead down by £12 to £390 a tonne, putting it at a discount of £4.5 to the three months quotation.

The easing of a technical supply squeeze depressed copper cash wirebars by £15.5 to £907.5 a tonne, while the three months quotation lost \$6.25 to £934.75. The market rallied following reports of U.S. and Iranian aircraft exchanging

-Tin prices ended higher in spite of a big drop in the Penang market overnight. It was noted that the Straits tin price, which fell by \$M77 to \$M2,288 a picul (133,3 lb) was merely coming into line with London prior to its one-day holiday closure today.

Rubber falls sharply

KUALA LUMPUR — The market closed sharply lower yesterday with May No. 1 RSS quoted at 306.50 cents per kilo, down 11 cents from the previous

After opening 4 cents lower or overnight weaker conditions in London, the market eased gradually on renewed selling activity and a lack of buyers. Productions of Malaysian rubber fell to 1.60m tonnes in 1979 from 1.61m in 1978, reflecting output falls in both peninsular and east Malaysia, the United Planting Association of Malaysia said. On the London market the

No. 1 RSS price fell 1.5 cents to 62.0 cents a kilo, its lowest level since October.

Antler velvet harvest outlawed in Britain

BY RICHARD MOONEY

BRITISH DEER farmers' bopes the time the velveting season nificant when set against welfare of building up a profitable reaches its height in June, and ethical considerations.

export trade in antier velvet to The velvety coating on grow-"There is no information the far eastern "medicine" ing antiers fetches high prices avilable to us about the pharmating of antiers from live this stage it has no comdear was to be banned.

"I think that it is important that we deal with this undersirable practice before it becomes a feature of deer farming in the country," he told the House of Commons. A report published yesterday

by the Farm Animal Welfare Council recommended that antler harvesting should be prohibited in Great Britain and Mr. Walker said the Government was acting immediately to imple-ment the Council's advice. "We have today laid the first of the necessary Orders to do so before Parliament," he said.

Professor Richard Harrison, chairman of the Council, said he hoped the new laws, which will carry a £500 penalty and possible prison sentence for offenders, will be in force by benefit to farmers is insig- to humans.

with nerve and blood supplies, concluded.

A considerable trade has built up in New Zealand to supply this market, and there have been rumours that some British deer farmers have begun to harvest antiers in velvet for the same purpose. Farmers claim the removal of

growing antiers is not unduly painful or distressing for the stags and that the sale of the velvet provides a useful addition to income from venison production.

But the Council has con-

by this stage It has no com- said. But this was irrelevant to mercial value. To cash in on its considerations. "In our the market, the antlers have to opinion, there is no need for be amputated before they are this country to contribute to the fully grown, while still provided supply of antier velvet," it

> Professor Harrison said the council planned to look at the whole subject of deer farming with a view to establishing a code of practice. There was no objection to deer farming for venison production, he added.

Veterinarians giving evidence to the council said it was very difficult to anaesthetise antlers satisfactorily. The drug mainly used in New Zealand during amoutation — xylazine — was mainly effective as a sedative and local annesthetics were seldom used. Drugs are availcluded that the process probably able which are highly analgesic is painful and that the economic but these are very dangerous

Cuban sugar crop cut New Zealand

1979/80 sugar crop will be against consumption to be about reduced at least 10 per cent 7m, tonnes in the 1979-80 crop because of the outbreak of sugar year.

rust disease on the island. In Brussels yesterday the according to Cuba's director for EEC Commission authorised the foreign trade Amadeo Blanco, export of 28,350 tonnes of white reports Reuter.
Mr. Blanco, who was attending

meeting of the group of Latin American and Caribbean Sugar Exporting countries (Geplacea), said the disease will also adversely affect next year's crop. He noted most of Cubak cane plantations are susceptible to rust. Although these are being replanted with resistant varieties, the replanting can only be done at the rate of 25

per cent a year. Mr. Blanco said he was not aware of a reported arrangement under which Cuba would supply sugar in exchange for

Cuba will continue to import petroleum and although it produces sufficient alcohol from cane to satisfy Cuba's alcohol needs, there are no plans to embark upon a programme to replace petroleum with sugarbased alcohols, he added. · Hugo de Almeida, president of Brazil's Sugar and Alcohol

RIO DE JANEIRO - Cuba's shortfall in world sugar output

In Brussels yesterday the sugar at its weekly selling tender, which was held a day earlier than usual because of impending holidays. The maximum rebate was set

at 6.381 European Currency units. On the London world sugar

market, prices were easier, reflecting lack of speculative interest and the belief that the market is somewhat overbought.

Chinese bauxite find PEKING — Geologists have

found bauvite deposits at 31 locations in Shanxi Province, accounting for 26 per cent of China's known bauxite reserves, the New China News Agency has reported. It said a strip mine was under

development at Xiaoyi County in Shanxi, which was expected to produce 500,000 tonnes of Institute, said he expects the bauxite ore a year. Reuter.

dairy talks

QUEENSTOWN, New Zealand New Zealand and the EEC have agreed to a joint market-ing approach for New Zealand's dairy products, Mr. Brian Talboys, New Zealand's overseas trade minister said, yesterday.
Mr. Talboys met Mr. Wilhelm
Haferkamp, Vice-President of
the EEC Commission and Commissioner for External Relations at the weekend for the first round of a series of talks on

New Zealand's trade relations with the Common Market. He said they had discussed the possibility of developing a "parallel interest" in dairy products to influence world markets and to develop new markets.

Mr. Talboys said New Zealand and the EEC Commission will also investigate joint research on new dairy-based products. He added that the Commission hes not yet determined New Zealand's butter quota for Europe after the country ships this year's quota.

But, Mr. Haferkamp indicated a "positive" approach to the question of access of New Zealand butter into the European market, according to Mr.

for bacon contracts

By Our Commodities Staff FMC, BRITAIN'S biggest bacon curer has introducved a new "super grade" into the supply contracts offered to pig producers. The new grade, designated AA1, will fetch an extra 1p a kilo over Al pigs, the old top grade. The AA1 grade is intended to meet the

requirements of the growing

market for leaner bacon.

Basic premiums in the new contract, which comes into effect on May 18, are 5.4p over the average all pigs price (AAPP) calculated by the UK Meat and Livestock Commission for AA1 grade, and 4.4p for A1. Discounts against the A1 price for low-grade plgs will be 5.7 for B1 and 12.2p for CI.

FMC said to make contract prices more responsive to changes in the pig market only the latest week's AAPP will be used. Previously prices were based on the average for the past two weeks.

The contract will continue to allow for adjustments upwards or downwards in the basic premium in the light of the relationship between the bacon and pig prices but a guaranteed minimum of 1p over AAPP is offered for AAI

Announcing the new contract yesterday FMC said it expected producer returns to improve substantially in the coming year

Super grade U.S. soya estimate lower

WASHINGTON - U.S. soyabean output this year is expected to fall within a range of 1.9 to 2.2bn bushels compared with the record 1979 output of 2.3bn, according to the U.S. Agriculture Department, reports Reuter.

In a summary of its Fats and Oils situation report, the USDA said with the increased carryover stocks of 425m bushels projected for the autumn, sup-plies in the 1980-81 season will probably reach a new high, exceeding the 2.44bn bushels projected for this season. The USDA said prices have

dropped sharply this season, due largely to the heavy oilseed supply relative to demand.

Prices received by farmers have fallen from around \$7.00 a bushel last August to under

\$6.00 in April. The lower prices for soya-beans relative to cotton and feedgrains have resulted in a reduction in projected 1980 plantings, but by less than one per cent to 71.3m acres.

The USDA said total soyabean use this season is expected to be 8 per cent to 9 per cent above last year, while total supplies are forecast at 20 per cent more than a year earlier. resulting in the build-up in carryover stocks. The Department noted that

soyabean crushings during September-March totalled 686m bushels, about 13 per cent above a year earlier. Strong demand for soyabean meal coupled with favourable processing margins early in the season encouraged the record crush.

expected to decide soon whether representatives from the two the Soviet Union will be permitted to purchase U.S. grains under the fifth year of the U.S.-USSR grain supply agreement, beginning October 1, 1980. Senior U.S. Agriculture Department officials said the White House and USDA officials are reviewing U.S. policy on the

USDA expects the decision will have to be madet fairly soon on the Soviet purchase of grains. The Administration must decide whether the Commerce Department may issue export licenses to permit shipment of the grain.
President Carter's January 4

agreement

decision to embargo shipments to the USSR above the minimum 8m tonnes in the current supply year did not presume that the sale of 8m tonnes of U.S. grains would also be permitted in the fifth agreement year, one official

so," he added.
The USSR has not purchased any U.S. grain for delivery after

October 1, 1980.
Our Commodities staff writes:
Until now the official American line has been that the U.S. will honour its obligations under the fifth, and final, year of the five-year grains pact with the Soviet Union, starting from October

Under the agreement the USSR is entitled to buy up to a maximum of 8m tonnes of grain

Meanwhile it was reported are automatic commitments, that President Carter is there is normally a meeting of countries to plan shipments for the year ahead.

So far Moscow has not come up with a suggested date for the meeting and the U.S. is becoming increasingly restive. It is felt the Russians are probably waiting to see what kind of harvest they are going to have this year. The weather has been favourable so far, but

as happened last year the out-look can quickly change If the Russians do have a bumper harvest, as hoped, they may prefer to do without U.S. grain if at all possible bearing in mind the soured relationship between the two countries and the forced cutbacks in Soviet livestocks herds this year as a result of the U.S. embargo that would reduce the need for grain imports. At the same time Russia has been busily cultivating new sources of grain sup-

plies, notably Argentina. "It was a logical presumption, but it was not necessarily the embargo in January, were The U.S., when announcing empahtic that the terms of the long-term five-year grain pact with the Russians should be honoured—reportedly at the insistence of Mr. Cyrus Vance,

then Secretary of State. Possibly the departure of Mr. Vance has changed Washington's views, especially as it appears the Russians are waiting to see whether they will require the grain or not. However many grain experts suggest the Soviet Union must remain dependent on U.S. imports if it and must purchase a minimum wishes to continue expanding of 6m tonnes. Although these meat production.

Alternative methods for veal production

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE ANIMAL welfare lobby the expansion of veal production of cheap meat and other meat tonne as long as the ration concordemns the production of veal tion. Output in Britain today from overseas, at prices which tains 60 per cent of skimmed turn round and have no chance of exercising their rumens by eating straw or other roughage. This isolation is claimed is to prevent disease. The consumption of hay or straw is said to discolour the meat.

That such a regime is essential was contradicted to my satisfaction after visiting one of the units run by Quantock Veal in Cambridgeshire, this week. There, calves are loose housed in groups of 20 on straw litter in naturally ventilated buildings. They appeared to be in the pink the Italians 20 times. of condition and happily chewing the cud because they have had access to straw. In the opinion of Philip Pax-

man, managing director of the parent company, Volac, there

tion. Output in Britain today from overseas, at prices which in wooden slatted individual amounts to 40,000 carcases, of pens in which calves cannot which his company supplies 90 per cent. In addition, some 90.000 carcases are imported be centred on family farms from Holland every year. There was no reason, accord-

ing to him, why many more should not be reared in Britain,

as some im calves were exported to the Continent last year, some of which no doubt returned in the form of veal. The British, he said, should be encouraged to eat more veal, which up until now had been a minority taste. The French eat 40 times more than we do and

The basic reason for this, I

believe to be historical. Milk fed veal, the basis of the Continental product, is expensive to produce and British farmers had other outlets for their milk. should be enormous scope for There was also the competition carries a subsidy of £300 per feed formulations available.

could not be matched by home production of veal. European production used to

using cow's milk for the most part. Nor were there the facilities for the economical production of more mature beef. Veal suited the consumers and so the habit of eating it grew. Since the formation of the European Community the whole

picture has changed. Instead of being entirely small-scale production from whole milk on individual farms intensive. almost factory, systems have been developed using feeds based on the 1m tonnes of

I think it would be wrong to claim that the use of straw and loose housing was the only factor responsible for the

milk powder.

excellence of the calves I saw at Quantok. This largely depends on the quality of the stock, and I have seen others doing as well on slats and in stalls. But I have seldom seen any looking so quiet and free of signs of stress. I could not comment on the

relative profitability of the two systems, but I did think that the claimed profit margin of about 10 per cent on a finished calf was a bit narrow. And I based on the 1m tonnes of surplus skimmed milk powder which the Community has to dispose of with a heavy subsidy.

And was a with all the subsidy what would happen if the EEC, by some miracle, got rid of its milk surplus and the subsidy disappeared. How-At present skimmed milk ever, in that case, according to powder used for animal feed Mr. Paxman, there are other

July 43.85, 11Maize—May 2654-265¹2 (266¹2), July 277¹2-278¹2 (278¹2), Sept. 288¹4-286²2, Dec. 292¹4-293, March 303¹3, May

Pork Ballies-May 29.80,29.45 (31.15)

July 30.90-31.20 (32.50), Aug. 31.20-30.80, Feb. 46.40-46.35, March 46.35, May 47.05. July ——, Aug. ——.

Silver—May 1380.0 (1375.0), 1400.0 (1415.0), July —, Aug. 14 Oct. 1470.0, Dec. 1506.0, Feb. 4 April 1573.0, June 1607.0, Aug. 4

BRITISH COMMODITY MARKETS 37, 36, 35, 32, 34, 35. Cathodas: Cash £896, 97, 98, 98. Karb: Wirebers: Three BASE METALS

ier on the Lond Exchange. A renewed decline in gold sassitied copper at the opening when lowerd metal dipped to £918, However, the end of the pre-market namours that U.S. fighters had shot from an iranian aircraft prompted a large of short covering and fresh specularive buying which lifted the price to £538. The market then fell sway following American denials of the incident and three months metal incident and three months metal incident and three months metal incident says as Comex opened on a make note. Thereafter a recovery in the dollar against sterling, coupled with Fally in gold, saw forward metal says higher to close the late Kerb at 1833. Turnover: 17,950 tonnas. Amalgamated Metal Trading reported that in the morning cash wirebars feded at £910; three months £939, 38,

a.m. Hor p.m + or Official - Unofficial -£ 8 12 £ 897-8 +2.5 895-7 -5 3 months 7535-45 -25 7550-80 +15.5 917-20 -25 917-20 -25 Settlem 7620 -85 7550-80 +12.5 898 +2 90.86.25 NewYork -

.

į.

£886, \$7, \$9, \$8. Kerb: Wirebers: Three months £935, \$3, \$30, \$31, \$32, \$4, \$33. Alternoon: Wirebers: Three months £933, \$2, \$30, \$31, \$35, \$36, \$35,5, \$35. Kerb: Wirebers: Three months £933, \$4, \$35, \$4, \$33, \$4, \$35, \$4, \$33. TIN—Marginally firmer. The sharp fell at Penang saw forward metal marked down to £7,500 at the opening, and fall further to around £7,450 during against trading. At this level covering against £uropean physical interest and an essier trand in sterling against the dollar encouraged a rally which lifted the price to £7,550 during the ringe. During the attempon three months material edged higher in quiet trading to end the late Kerb at £7,570. Turnover: \$395 tonnes.

Morning: Standard: Three months Morning: Standard: Three months £7,550, 60, 50, 40. Karb: Standard: Three months £7,560, 70.

a,m. + or p.m. + or Official -

16. Index Limited 01-351 3466. The Lamont Road, London SW10 0HS. Three month Aluminium 817-825 Tax-free trading on commodity futures. 2. The commodity futures market for the small investor.

CORAL INDEX: Close 435-440 (+5)

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demand for physical material. Forward metal opened around E397 and moved up to fouch £402.5 around the time of the U.S.-Iranian air clash roumours before weaksning to end the lets Kerb at £396.5, after £395. Turnover: 6,700

Morning: Cash £403, 395, 94, 95, 96; three months £402, 01.5, 01, 398, 99, 400. Kerb: Three months £398, 99, Aftermoon: Cash £390; early-July £397; three months £397, 95, 96, 96, 87; Three months £396, 95, 96, 98, 97.

Cash...... \$96-7 -12.5 \$89.91 \$ months \$99.400 -4.5 \$95-6 \$ ment ... \$97 -16 -

ZINC—Barely changed in quiet trading with forward metal easing from £315.5 at the outset to the day's low of £308 before recovering marginally to close the late Kerb at £311.5. Turnover: 5,050 tonnes.

Morning: Cash £303, 299, 98, 98, 5, 98; three months £314, 13, 12, 13, 10, 08, 09, 10. Kerb: Three months £309, 10, 12, 11. Kerb: Three months £310.

ZINC	a.m. Official	+ 01	p.m. Unoffici'i	+0
Cash 5 months 5'ment Primw'ts	309-10 300	-5 -5 -5	299-301 311-2 -37,6	
reflecting the dollar, buying of opened at to closing Turnover.	the fall which en forward £810 and the la 3,850 ton: Cash: Three m	in sincoura meta d rose te Ke nes. 1835; Three nonths	aged persion of the ESC3 orbor.	ainst atent letter prior 20.5. onths £816.

Kero: Int	es wours	102	, 22, 21,	44				
M'nimuiA	a.m. Official	† + or	p.m. Unoffic'i	1				
Spot 5 months	£ 853-4 816-7	£ -6	£ 831-2 821-2	++				
NICKEL-Slightly firmer as mod								

nitable signity times as modest buying interest throughout the day litted forward metal to £2,760 before profit-taking pared the price to £2,750 on the late Kerb. Tumovar: 896 tonnes. Merning: Cash £2,640; three months Morning: Cash £2,540; three months £2,730; 25, Karb: Cash £2,840; three months £2,735; Aftermoon: Three months £2,735; 40, 50, 55, 80, 50. Karb: Three months £2,755.

NICKEL	e.m. Official	or	p.m. Unoffici 1	-
Spot 3 months	2635-40 2735-40	+ 10 10	2550-5 2750-6	+2
SIL	ÆR			

Silver was fixed 7.75p an ounce higher for spot delivery in the London bullion market yesterday at £8,0755.

Dullion market yesteroay at 16.0/09.
U.S. equivalents of the fixing levels ware – spot \$13.87, up 12c+ three-month \$14.333 up 3.4c+ six-month \$14.952, up 9.1c+ and 12-month \$15.943, up 8.3c. The metal opened at \$5.9.66.2 (\$131-\$143) and closed at \$5.9.66.2 (\$131-\$143) and closed at SILVER Buillon + or LM.E.

	fixing — price	p.m.
Spot 3 months 5 months 12months	607,55p+77.5 651,90p+6.35 661,90p+8.55 771,90p+11,9	606.5p -2.5 628.5p -8.76
10,000 oun 630, 29, 2	mover 136 (ces. Morning: 5, 21, 23, 20.	three months Kerb: three

months 820. Afternoon: three months 625, 30, 25, 27, Kerb: three months 630. LULUA 430.0, 442.0-423.0, 513; Oct. 434.0, 437.5Inge throughout the day and closed 439.0, 268; March 449.0, 451.0, 457.0-

sumers declined to participate in coci-bean trading, reports Gill and Duffus. Yest'rdays + or Business COCOA

1257-41 — 5,0 1240-30 1250-50 — 5,5 1256-42 1273-74 — 1276-65 1322-25 — 1529-15 1338-65 — 4,0 1350-52 1380-90 + 2,5 1380-77 1400-20 + 2,5 1400-1397

Sales: 2,404 (2,727) lots of 10 tonnes. **COFFEE**

Robustas opened £10-£20 lower with most positions trading at their lowest levels since early April, reports Draxel Burnham Lembert. Heavy selling from one perticular direction kept the one particular direction kept the market under pressure for most of the morning session. Towards the close producer participation sparked some late activity into an otherwise feature-less afternoon but prices finished around opening levels with trading well matched.

COFFEE	Closs	+ or	Busines Done
	2 per tonne		DONE
May	1592-94		
July			1639-2
Sept	1675-67		
Nov	1690-92	-15.0	1701-9
Јапиагу	1685-86		1695-9
March	1630-35	-16.5	1640.3
May			
Sales: 2,95	4 (2,280) lo	ts of S	tonnes

Sales: 2,594 (2,200) lots of 5 tonnes. ICS Indicator prices for April 28 (U.S. cents per pound): Other Mild Arabicas 178.50 (179.50); Robustas ICA 1976 184.00 (162.75); ICA 1968 164.25 (163.00). Unweshed Arabicas 210.00 (same). Comp. daily ICA 1968 186.25 (same).

GRAINS

LONDON GRAIN FUTURES—Old crops opened unchanged on wheat to 15p lower on barley. Considerable selling pressure on barley sased values in fairly thin volume to close 90p lower on the day. Wheat registered losses of 20p in thin volume. Trading was very thin despite selling pressure, reports Acli.

BARLEY WHEAT M nth 93.80 -0.20 92.00 -0.30 93.60 -0.71 91.30 -0.70 97.40 -0.65 95.10 -0.70 101.05 -0.80 98.95 -0.65 104.25 -0.80 102.20 -0.85 May... Sept. Nov... Business done—Wheat: May 93.25-93.10, Sept. 93.90-93.70, Nov. 97.50-97.40, Jan. 101.35-101.00, March 104.30-104.25. Sales 85 lots of 100 tonnes. Barkey: May 92.60-92.00, Sept. 91.40-

IMPORTED - Wheat: U.S. Dark Northern Spring No. 2, 14 per cent, May 91.50, June 92, July 93, tranship-ment East Coast. English Feed fob ment East Coast. English reed fob May 98, June 99, East Coast. Malze: French April 117.25, May 117.75. S. African Yallow May-June 80. Barley: English Feed fob May 97, June 99. East Coast. Rest unquoted HGCA - Locational ex-farm ces. Feed barley: S. East 92.40, West 83.10; W. Midlands 91.10,

Nov. 95 20,95 10, Jan. 99,20-98,95.

March no trade. Sales 92 lots of 100

WOOL FUTURES LONDON NEW ZEALAND CROSS-

West 93.30. Other milking wheat: East 96.60.

BREDS—Closs (in order buyer, seller only). New Zealand cents per kilo. May 352, 355; Aug. 368, 378; Oct. 368, 375; Dec. 368, 378; Jan. 368, 380; March 375, 390; May 375, 391; Aug. 380, 395; Oct. 390, 395.

SYDNEY GREASY WOOL—Closs (in article buyer, seller business sales). order: buyer, seller, business, seles). Australian cents per pound. May 426.0, 427.0 434-0-418.0, 106: July

LEAD—Lost ground in line with at similar levels to Monday evening. 450.0, 122; May 450.0, 460.0-450.0, 49; copper and also reflecting weakening Physicals reflected this lack of excita- July 451.0, 453.0, 463.0-452.0, 32; Oct. demand for physical metarial. Forward ment and both producers and con- 455.0, 468.0, 465.0-455.0 21 Sales

RUBBER The London physical market opened easier with little interest throughout the day, closing on a quiet note. Lewis and Past reported a Malaysian godown price of 304 (315) cents a kg (buyer, May).

Yest reays Previous Business
Close Close Done June..... 55.00-55.50 54,80-65.50 53.50-62.80 July...... 64,00-54,80 66,00-55,50 -- Jly.-Sept 95.70-55,80 86,70-66,80 68,00-65,60 Oct- Dec 69,50-89.80 70,50-70,85 70,50-78,70 Jan-Mar 72,40-72,50 73,40-73,50 72,40-74,90 Apr- Jne;75,50-75,50 73,40-75,50 75,50-74,80 Jly.-Sept 78,00-78,10 78,70-79,10 79,00 Oct-Dec;80,70-80,80 81,50-81,60 81,20-80,80 Jan-Mar 85,40-83,80 84,40-84,70

Sales: 287 (186) at 15 tonnes, 12 (8) at 5 tonnes.

Physical closing prices (buyers) were: Spot 62.00p (63.50p); June 65.00p (67.00p); July 66.75p (67.75p). SOYABEAN MEAL

The London market opened with small fosses on dull trading conditions, reports T. G. Roddick. Trade support held prices steady and lessh buying late in session enabled the market to | Dertonne | 108,00-107,80 | 107,80-07,91-0,20 | 108,00-107,50 | 105,00-107,50 | 105,00-107,50 | 105,00-105,40 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60 | 106,00-105,60

Sales: 32 (64) lots of 100 tonnes. SUGAR

LONDON DAILY PRICE (raw suger): £241.00 (£242.00) o tonne cii for April-Mey-June shipment. White augar deily price was £252.00 (£250.00). Prices were again contained within a £3 range in quiet trading conditions, reports C. Czamikow. Sugar Pref. Yest'rdays Previous Business Comm. Close Close Done

₽ per tonne May..... 246,75-47,00,252,80-53,00,255,50-44,80 Aug...... 254,80-64,80,256,75-56,80,297,25-82,50 Oct..... 272,80-72,80,274,50-74,70,275,00-70,50

Sales: 4,313 (4,068) lots of 50 tonnes. No. 4 CONTRACT—Close (in order buyer, saller only): May 245.00; Aug. 267.02, 267.75; Oct. 274.50, 275.00; Jan. 278.50, 279.00; March 283.50, 288.50; 267.00, 267.75; Oct. 274.50, 275.00; Jan. 278.50, 279.00; March 288.50, 288.90; May 289.50, 291.00; Aug. 290.00, 293.50. Sales: 591 (505).
Tate and Lyle ex-refinery price for granulated basis white sugar was £321.7 (same) a tonne for home trade and £322.50 (£325.00) for export. International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for April 28: Daily price 22.77 (23.07); 15-day average 21.65 (21.46).

JUTE

JUTE—May-June c and f Dundae: BWC 5218, BWD £188, BTB £266, BTC £230, BTD £195. Antwerp Mey: BWC \$485, BWD \$410, BTB \$635, BTC \$526, BTD \$460. Jute goods and Dundae: May: 40 in 10 oz £13.90, 40 in 7.5 oz £1081. B Twills £3342.

LIVERPOOL-No spot or shipmen cales were recorded, leaving the total for the week so far at 123 tonnes. Vary little replenishment business was under review and general economic ditions deterred customers ditions deterred customers from operating at all treety. Occasional support was evident in African and South American growths.

PRICE CHANGES

April 29 + or Month 1980 - Ago £810/815 \$1875/1905 Aluminium Free Mkt +15 £7,805 +12.5 £7,837.5 Tin Cash....... £7,625 3 mths......£7,565 Tungsten22.046;\$140,75 nut (Phil). \$6204 Groundnut Linseed Crude. 2396s Palm Malayan, \$600x ______2450 __10 \$605 Seeds Copra Philip..... 8390s — 5 Soyabean(U.S.) 5266, 15x -B \$475 \$251.60 -0,70:290.85 £116,50 Other commodities

u June. s May, t-May-June, r April-May. x July. z ‡ Per 76-lb flask, z Indicator. § Buyer.

HIDES—Birmingham: Downward trand persista. Second clears: Ox 31-35.5 kilos. 30p a kilo (33.5p a kilo): 26-30.5 kilos. 34.3p (37.3p); 22-25.5 kilos 44.1 (48.0p). Light cows 37p (41.2p).

GRIMSBY FISH—Supply moderate, demand good. Prices at ahip's side (unprocessed) per atone. Shelf cod £4.50-£5.00. codlings £3.80-£4.40: large haddock £3.30-£3.60, medium £3.30-£3.60, small £1.80-2.30; medium £3.30-£3.70: skinned dogfish (large) £5.50, (medium) £5.00; lamon solas [large] £8.00, (medium) £5.00; saithe £2.00-£3.30.

MEAT/VEGETABLES MEAT COMMISSION—Avarage fat-stock prices at representative markets on April 29. GB cattle 85.51p per kg lw (+0.68); UK sheep 141.4p per kg est dcw (no change); GB pigs 87.9p per kg lw (+0.7). SMITHFIELD—Pence per pound. Beet:

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 69.0 to 74.0; Eire hindquarters 82.0 to 85.0, forequarters 48.0 to 50.0. Lamb: English small, new seeson 80.0 to 90.0. Imported frozen: NZ PL 81.5 to 62.0, PM 59.5 to 60.0. Hoggets: English 48.0 to 70.0. Pork: English, under 100 lb 42.0 to 48.0, 100-120 lb 40.0 to 47.0, 120-160 lb 38.0 to 46.0.

COVENT GARDEN—Prices in starling per package except where otherwise stated: imported Produce: Oranges— Spania: Vernas 4.00-4.50 Blonds 3.30-3.80 Jaffa: Valencia Lates 50-1833 4.40-3.00 Jane: Velencia Lates 30-35 4-40-5.60; Egyptian: Velencia Lates 75/125s 3.00-3.30; Moroccan: 64/113s 4.10-4.60; Cypriot: Velencia Latea 3.00-4.00. Ortaniques—Jamelican: 54/125s 5.00-6.00. Lemons—Italian: 100/150s 4.50-Ortaniques—Jameican: 54/125s 5.00- Portuguese: 0.25-0.30; Portuguese: 0.25-0.30. Avocades—S. 6.00. Lemons—Italian: 100/150s 4.50- African; 3.80-4.20. Pineapples—Ivory 4.55; Spania: trays 25/45s 1.80-3.40. Coast: each 12s 0.40-0,70, 6s 1.00-1.10;

AMERICAN MARKETS NEW YORK, April 29. July 36.25-36.15 (36.37), Aug. 35.65-PROFIT TAKING and overnight support 35.75, Oct. 36.20-36.10, Dec. 38.85, Feb. for gold pushed the market moderately 41.65. April 41.40-41.10. June 44.50. lor gold pushed the market moderately higher. Silver was generally lower, coming Into line with the cash market. Early weakness in copper was tollowed by a moderate rally and gains. Sugar was up the limit on aggressive buying. Producer selling in coffee produced losses across the board. Cotton was supported by trade buying and closed higher. Cocos found support on short-covering and technical buying. Maize closed mixed, while wheet and soye-beans closed with major losses, reported Heinold.

Copper—May 88.50.89.50 (88.40), June 90.50 (89.90). July 91.80-82.00.

reported Helinois.

Copper—May 89.50-89.60 (88.40);

June 90.50 (89.90), July 91.80-82.00,

Sept. 93.90-94.30, Dec. 95.80, Jan. 98.10, March 99.90, May 101.70, July 103.30, Sept. 104.90, Dec. 107.30, Jan. 108.10, March 108.70. Potatoes (round whites)-May 46.9-47.0 (47.1), Nov. 72.2-72.5 (73.9), Sales: 558.

48ilver—May 1365,0-1375.0 (1365.0). Sales: 559.

*Silver—May 1365.0-1375.0 (1365.0),
June 1381.0 (1409.0), July 1395.01400.0, Sept. 1435.0-1440.0, Dec. 1486.0,
Jen. 1503.0, Merch 1536.0, May 1569.0,
July 1602.0, Sept. 1636.0, Dec. 1686.0,
Jen. 1702.0, March 1734.0, Sales:
5,000. Handy and Harman bullion spot
1369.00 (1365.00),
Sugar—No. 11: May 23.85-24.20
(23.04), July 24.89 (23.98), Sept. 25.72,
Oct. 26.17, Jan. 26.50-26.59, March
27.59, May 27.59, July 27.80, Sept.

__800.00-810.00 asked (802.00-829.00).

CHICAGO, April 29.
Lard—Chicago loose 18.25 (18.50):
New York prime steam 19.75 (20.00).
Live Cattle—June 85.90-85.00 (66.40).
Aug. 64.50-84.80 (55.50). Oct. 63.10-63.25. Dec. 63.80-63.60, Jan. 64.10, Feb. 64.50-84.55. April —...
Live Hogs—June 34.90-35.00 (35.22).

197.0, July 2015-203.0.

Soyabean Oi — May 19.87-19.80 (20.11), July 20.36-20.33 (20.78), Aug. 20.63-20.60, Sept. 20.90-20.65, Oct. 21.15, Dec. 21.65-21.60, Jan. 21.70, March 22.15, May 22.45, July 22.90, 1Wheat—May 383-384 (387-2), July 395-396 (395-4), Sept. 411-410-2, Dec. 4287-428, March 441, May 447-2.

WINNIPEG Annil 29 SBarley—May. WINNIPEG, April 29. §Berley—May 109.60 (110.80), July 112.20 (113.40), Oct. 112.80, Dec. 113.00, March 113.10.

EUROPEAN MARKETS

ROTTÉRDAM, April 29. Whest—U.S. No. 2 Red Winter June 5177, July \$175, Aug. \$180. U.S. No. 2 Northern Spring, 14 per cent, May \$188.50, June \$189.50, July \$190.50, Aug. \$192.75, Sept. \$194, Oct. \$197, Nov. \$203, Dec. \$207. Reat unquoted. Maize—Afloat \$135, May \$132 sellers, \$131 buyers, June \$135.75, July-Sept. \$140.50, Oct.-Dec. \$145.50, Jan.-March

Soyameal—44 per cent protein U.S. afloat 5234.50. April \$226.50. May \$223. June \$244. July \$227, Nov.-March \$243. Brazil Pellets afloat \$234.50 traded, offoat \$234.50. May \$232. June \$230.50. July \$231. Aug. \$235. Sept. \$238. Nov.-March \$253 sollers.

Cocca (FFr per 100 kilos)—May 1150-1200. July 1230. Sept.: \$230-1238, Dec. 1246-1255. March 1270-1290, May 1280. Sales at call 0. Sugar (FFr per 100 kilos)—July 2390-2440, Aug. 2485-2488, Oct. 2543-2544, Nov. 2530, Dec. 2600-2630, March 2680-2700, May 2720-2760, July 2730. Sales ot call 5. \$135.

Soyabeans—U.S. Two Yellow Gulfports April \$255. May :255.75, June
\$257.75, July \$260, Aug. \$263.75, Sept.
\$268.25, Oct.-Nov. \$269.50, Dec.
\$275.25, Jan. \$279.50, Feb. \$285.75,
March \$287.73.

INDICES DOW JONES April April Month Year 25 24 ago ago FINANCIAL TIMES Apr. 28 Apr. 25 M'nth ago.Year ago Spot ... 422,92 416,50 412,35 387,03 F tur's 435,91 428,18422,52 390,60 277.79 282,88 284.47 276,26 (Average 1924-25-26=100). (Base: July 1, 1952-100) S'YGOOM REUTERS Apr. 29 Apr. 28 Minth ago Year ago Apr. 25 |Apr. 24 M'nth ago, Year ago 1678.2 1692.9 1709 1655.5 1135.2 1126.6 | 1104.9 | 1054.1

Apples—Argentine: Red Delicious 150s 8.40; New Zeelend: Cox's Orange Propins 9.20-9.60; Childen: Granny Smithlerge boxes 125/150s 7.80-8.00; S. African: Golden Delicious 7.05-7.50, Starking 7.30-7.50, White Winters 150/180s 7.20-7.60, Granny Smith 8.50-8.80; French: Golden Delicious, boxes 40 to 138/175s 4.00-4.60, 20 to 20-2.40; Italian: Jonethan 9.091 Romes 0.12. Pears—S. African: approx. 34 to Beurre Bose 5.30-5.50, Peckham's 6.50-7.60; Italian: Passacrassen 12 to 1.50-1.80, 16 to 2.00-2.30. Grapes—S. African: Italion: Passacrassane 12 ib 1.50-1.80, 16 ib 2.00-2.30. Grapes—S. African: Barlinka 3.90. Golden Hill 7.00. Strawberries—per punnet; Californian: 0.80: Spanish: 0.25-0.30: Italian; 0.25-0.30;

6.30; Jersey: per pound 0.40-0.45. Onlons—Canadian: 50 lb 4.50; S. African: 5.00; Chilean: 4.30-4.50; Tasmanian: 20 kg 5.00; New South Wales: 44 lb 4.40. Cucumbers—Gutch: 2,30-44 ib 4.40. Cueramers—outch: 2.30-2.40. Celery—laraeli: 20/28s 3.80; Spanish: 19/38s 4.50-5.00: Florida: 30s 5.00. Chlcory—Belgian: 5 ib 1.80. Potatoes—Egyptian: King Edwards 4.00-4.20: Canary: 5.00; Cyprot: New crop 20 kg 4.40; Jersey: per potad 0.75; Italian: 55 lb 5.50. Carrets—Outch: 10 kg 3.40-3.50; American: pre-pack 48 x 1 lb 7.20. Capsicums—Canary: 48 x 1 lb 7.20. 6 kilos 2.80-3.00.

2.30.2.60 Produce: Potathos—per bag 2.30.2.60 Mushrooms—per pound 0.50. 0.60. Apples—per pound Bremley 0.11. 0-18. Cox's Oranga Pippin 0.13.0.20, 1.xxtons 0.10-0.12. Peers—per pound Conference 0.11-0.17.

(December 31, 1831 - 100) (Base: September 18, 1931-100) S. African: 6/9s 2.50-3.00. Bananas— Jamaican: 28 lb per pound p.17. Toma-toes—Canary: 3.60-4.50; Dutch: 5,60boxes 4.50-5.50; Californian: 99/165s 6.00-6.30; Outapan: 80/135s 5.60-6.20. Grapefruit—Cypriot: 20 kg 4.00-5.40; Jaffa: large boxes 32/88s 4.15-5.05. Argentine: Red Delicious 150s

FINANCIAL TIMES STOCK INDICES

296.4 304.8 326,8

8.07 8.15 8.23

Equity turnover £m ______ 13.29 101.65 98.14 98.43 75.91 123.54 Equity bargains total ______ 311.891 14.641.13.339 12.711 11.593 94.889

2 om 435.2 3 pm 435.3.

Latest Index 01-246, 8026.

Basia 100 Gost, Bacs. 15/10/28. Fixed Int. 1928. Industrial Ord.

. . . . NIL 5.774

66.74 66.22 65.61 66.48 66.80 66.65 66,68 66,41 66,48 67,11 67,13 67,23 77,15 488,7 438,1 487,5 484,8 435,8 434,3 831,0

18 273 16 665 19 611 17 701 17 038 16,748

19.71 19.87 20.06 19.89 13.88 19.90 14.50 6.16 6.11 6.05 6.11 6.38 6.11 8.84

502 1 292,4 287,2 152.9

8,09 8,07 8,10

S.E. ACTIVITY

Lower interest rate hopes ensure extension of rally which leaves long Gilts with two-day gains of over £2

*First Declara- Last Account Dealings tions Dealings Day Apr. 14 Apr. 24 Apr. 25 May 6 Apr. 28 May 8 May 9 May 19 May 12 May 28 May 30 June 9 218p and Jessel Toyubee hard-

Chancellor's indication that a reduction in interest rates is a main priority of UK economic policy ensured an extension yesterday of Monday's in London stock markets. And the firmness, again initiated by Gilt-edged securities, was underpinned by Sir Geoffrey's comments yesterday about hopeful money supply

Other factors helping sentiment included the stability of Wall Street in the face of last Friday's misadventure in Iran and the NUR acceptance of British Rail's new wage offer. All main investment sections. however, remained sensitive to news items concerning the Middle East and proved the point yesterday by reacting temporarily on reports of an Iranian plane coming under attack from U.S. fighters. The incident was denied by American sources.

Once again, British Funds were the main beneficiaries of renewed foreign investment, although the volume was less than on Monday, with domestic institutions more reserved. Business tended to be confined to the morning session, but quotations held most of their gains and longer-dated stocks extended Monday's rises of £14 by a further point in places. The shorts were just as impressive and displayed gains stretching to for two-day rises ranging to

Early institutional inquiries and increased activity on the bid scene, the latter featured by Unigate's conditional offer for Clifford's Dairies, stimulater an expansion of business in the equity sectors. Companies with UK onshore oil exploration and North Sea oil interests attracted considerable speculation which resulted in the former staging useful improvements. Leading shares again took heart from the Gilt market's strength and settled to close near the day's best as measured by a gain of 4.6 to 436.7 in the FT 30-share index which, at 11 am, had shown a rise of 5.1.

The volume of business in Traded Options again left much to be desired. Only 365 deals the previous day's 346.

Bank of Scotland up

counts mirrored the firmness of gilis. Alexanders put on 5 to 230p as did Allen Harvey and Ross, to 345p. Gerrard and National edged forward 2 to ened a penny to 66p in front of statements due preliminaty Hambros continued firmly in merchant banks, rising

6 afresh to 383p on renewed investment support. Quietly firm conditions pre-vailed in Insurances where chosing improvements ranged to 8. General Accident, 248p. Royals, 328p, Sun Alliance, 582p, all ended that much higher. Eagle Star put on 7 to 184p.

were inclined Breweries harder in extremely trading. Elsewhere, Luis Gordon advanced to 58p in response to the good annual results before easing on profit-taking to settle at 56p for a rise of 2.

Leading Building issues en-countered fresh investment support. Blue Circle rose 10 to 322p and Tarmac 11 to 239p. after 241p, the latter following annual profits that exceeded market estimates. Support was forthcoming for Taylor Woodrow and Redland which added 5 tively. Costain improved 4 to annual results today, also added 4 to 101p. In the Timber sector, recent speculative favourites L. Meyer came on offer following adverse Press comment; the former eased 2 to 69p, but the latter, after slipping to 98p. rallied on late buying to close a couple of pence better on balance at 103p. Elsewhere. Roberts Adlard firmed 6 to 128p in response to good annual results. Manders put on 6 for a two-day gain of 13 to 156p on speculative interest, while Ruberoid, a subdued market since the results, revived with a

gain of 4 to 56p.
ICI touched 364p before reverting to the overnight level of 362p in thin trading, but Fisons firmed 5 to 284p.

Secondary issues provided the

Grant Bros. firm

while Elys (Wimbledon) rose 13 to 155p and Owen Owen added 5 to 132p. Moss Bros. advanced 10 to 260p and Grattan Warehouses rallied 4 to 66p. Harris Queensway rose 7 to 192p on the news that the company's bid for Henderson Kenton has been declared unconditional; the latter cheapened 3 to 220p. Still

apiece. late, took a distinct turn for following details of the group's the better in the late dealings at offer for Eastern Tractors and Other Electrical leaders trended and Bacal, 239p. Among second been suspended, but Tiger Oats ary issues. Energy Services resumed and closed 10 higher advanced 21 to 251p on the increased dividend and profits ment that the group are in-while, still reflecting Press men-volved in discussions with tion, Chloride bardened another 2 to 54p.

Interest in the Engineering laders continued at a low ebb, but the trend was again to slightly higher levels. Vickers Engineering featured with a rise

Wednesday. Thorn EMI, a poor market of resumed in George Ewer at 47p 298p. up 8, following news that eased further to close at 454p. the company is to withdraw from J. Bibby rose 6 to 170p on specuthe medical electronics field lative buying fuelled by the announcement that dealings in harder, gains of 2 being marked Tiger Oats, owners of a 30 per against GEC, 372p, Plessey, 141p, cent stake in the former, had been suspended, but Tiger Oats Imperial Cold Storage with a view to restructuring the South

African Mutual Life Assurance Society's major interests in the food and related industries. Speculative support was forthedged up 4 to 124p and Tubes 2 coming for Provincial Laungries which closed 24 to the good at 43p and the 12 per cent Conof 10 to 244p following favour- vertible 1986-88, 30 up at 430p. Chemicals F.T. Actuaries Index

added 5 to 120p, after 125p. The leaders gaev a firm performance

as renewed buying interest found

following comment on the chair-

Agency

stock in short supply. Bowater put on 3 to 178p, after 182p,

operations.

Ultramar

Management

able comment on the annual Hays Whart, interim results due results. Serck, on the other hand, next month, rose 7 to 154p, while shed 4 to 52p, after the previous day's gain of 5 on a flurry of improvements of around 4 were seen in Diploma Investments. buying interest. Clifford's Dairies jumped 24 460p, Hepworth Ceramic, 1054p, and ICL, 134p. Up 18 the pre-vious day on Press comment. European Ferries hardened a penny more to 122p and

to 116p, after 120p, and the A 22 to 102p, after 110p, on the un-welcome bld from Unigate, unchanged at 114p. Eisewhere in Foods, Associated Biscuit firmed focal points in Stores yesterday with a considerable amount of 4 to 80p and United Biscuits 2 speculative support shown for to 74p. Nurdin and Peacock selective stocks. Grant Bros. added a penny for a two-day were favoured at 93p. up 11, rise of 7 to 117p in response to the excellent annual results.

Petrocon fall

man's optimistic statement. Turner and Newall rose 4 to 111p, after 112p, reflecting hopes Secondary issues provided numerous features in miscelabout the group's Zimbar ve laneous industrials. plummeted from an intial firm level of 27p to close 7; down on balance at 17ip following the sharp setback in annual earn-Music put on 12 for a two-day gain of 14 to 142p on speculative interest. Among Television interest. Among Television issues, LWT A came in for sup-Reflecting the Governor's reflecting Press comment, House ings and omission of the final confident statement, Bank of of Fraser added 3 to 140p, while dividend. Alpine lost 5 further port and firmed 5 to 1150.

Gussles A, 388p, and W. H. to 93p following the Board's Among Motor Distributors, lower in idle trading. Around Smith A, 142p, improved 4 warning. Suspended at 49p last Pennine put on a penny to 7p mid-day, however, reports that as bid hopes revived.

> 34p, after 35p, on the agreed takeover bid from rival greetings card concern Fine Art Developments, 3 cheaper at 551p. Elsewhere in Paper/Printings, Bunzl eased 2 to a 1980 low of 97p on disappointing annual results. In Newspapers, International Thomson put on 35 to 410p reflecting the company's North

Sea oll interests.

Properties displayed fresh Financials generally gave firmness on hopes that domestic ground with the notable excepinterest rates would soon fall. tions of London issues with North Gains in the leaders, however, were not of the previous day's magnitude and closing levels were usually a penny or so below the hest. Secondary issues mostly retzined early rises with London and Provincial Shop Centres 10 to the good at 352p and Property Partnership 15 higher at 193p, the latter in a thin market Allied London

added 6 to 115p. Secondary Oils up

Activity in the Oil sector again centred chiefly on secondary issues. The Humbly Grove drilling report stimulated buy-ing interest in Carless Capel which advanced to 119p before settling at 117p for a rise of 15, while Candecca, which has in-terests in the same area, were also bought and closed 10 higher at 120p. Clyde Petroleum ended 23 higher at 425p after news of the proposed £4.5m rights isues. Gains of 10 were recorded in Attock, 226p, CCP North Sea. 265p, and Cambridge, 280p. IC Gas advanced 26 further to 792p, while late support lifted Premier

8 to 84p.
James Finlay stood out in
Overseas Traders with a rise of 6 to 88p, while Australian Agri-cultural added 41 to 102p. Shippings encountered selective support. Ocean Transport gained 5 more to 115p, while P and O Deferred hardened a penny further to 1220 ahead of next week's preliminary results.

Graig were helped by the Humbly Grove drilling report and rose a point to £14. Movements in the Textile sec tor were limited to a few pence either way. Sporadic support lifted Sirdar 3 to 80p, while Youghal Carpets firmed 2 to 13 on news of the fresh capital injection.

Golds down again

Apar tirom a minor flurry of speculative buying interest around lunchtime, the mining market endured another day of low turnover and lack of interest as the bullion price dipped \$7 more to \$518.50 an ounce. The market got off to a slow start and prices tended to drift

mid-day, however, reports that Wilson Brothers jumped 13 to

Sea oil and gas interests. Among the latter, Rio Tinto Zinc put on 5 to 370p and Selection Trust 6 to 604p. Tanks edged up to 264p but met late selling and closed a net 2 cheaper at 260p. South Africans registered widespread, although usually modest losses. General Mining dropped 30 to 680p, Gold Fields of South Africa 1 and De Beers the last-named ahead of the annual report and chairman's statement, 12 to 378p, after 372p. Australians lack a decided trend. North Broken Hill advanced 5 to 147p following the sharply increased third quarter profits but MIM Holdings gave up a similar amount to 197p ings in the 40 weeks to April 8. Central Pacific Minerals were

well supported and added i more to £22. Diamond exploration issues provided a feature in Leichardt Exploration which jumped 25 to 220p, after 230p, following speculative buying in-

Corpus, Dom. & Foreign Bonds Industrials

LONDON TRADED

U.S. fighter planes had fired upon an Iranian aircraft over the Gulf of Oman encouraged a short burst of speculative buying, but the demand was only short-lived as a denial from the Americans immediately encouraged profit

Consequently, prices ended the day showing further losses and the Gold Mines index gave up 84 for a two-day decline of 30.4

> 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942. HIGHS AND LOWS Since Compilat 150.4 50.53: (28)11/47) (3/1/26) 69.61 406.9 558.6 49.4= (4/6/73) (26/6/40) 442.5 43.5 265.5 (187) **NEW HIGHS AND**

Fixed Interest .

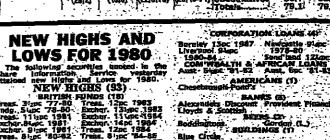
Ord. Div. Ylaid.

Earnings, Yld, % (full)

P/E Ratio (net) (*). ..

Total bargains ...

Gold Mines.



Scottish Agric.
STORES (2)
Owen Owen
BENCTRICALS (4)
Combifier
Lac Refriger
Emers Lighting St. Tel. &
ENGINEERING (2) RISES AND FALLS YESTERDAY MONDAY

	- 35 4 26 40	2 12 .5 18 71 52 .54 43	700 107 1440
	719	466 1,234	All Bes Ser Can
	IONS		SCORTE
	rg Vol.	Equity :	Loi Lyi
40	1	351p .*	City Col Dua 30
20 15 62 13		132p 475p 67p	Car Car Car Rate

33 lp.

; 7

SHIPPING (I) NEW LOWS (28).

NEWSPAPERS (T)

CHEMICALS (1) Fine Art Devs. ELECTRICALS (1) ENGINEERING (2) Brent Walker HOTELS (1)

8.63 12 19

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS,	1 10es., April 29, 1980					April 28	April 25	April 24	April 23	ago (approx.)	I
Figi	& SUB-SECTIONS ures in parentheses show number of stocks per section	index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Index No.	Index No.	Index No.	Index No.	lindex No.	
1	CAPITAL GOODS(172)	237.67	+11	18.48	6.73	6.76	235,14	233.32	236.97	238.21	276.87	Į
2	Building Materials (28)	235.86	+1.9	17.36	6.82	7.25	231.43	231.23	234.50	234,28	258.14	ı
.3	Contracting, Construction(27)	352.00	+0.8	27.07	7.01	4.50	349.22	349.02	351.83	353.68	427.59	ł
4	Electricals (16)	620.70	+10	13.40	4.07	9.73	614.49	605.34	620.59	625.78	667. <u>5</u> 2	i
: 5	Engineering Contractors (11)	283.55	+1.9	23.15	9.14	5.67	278.18	277.14	287.82	283.22	42053	ĺ
6	Mechanical Engineering (74)	158.29	+0.6	21.39	8.29	5.72	157.36	155.94	158.00	159.82	284.62	ł
. 8	Metals and Metal Forming(16)	164.08	8.0+	21.06	9.92	5.75	162.81	162.26	162.62	163,46	186.56	ł
11	CONSUMER GOODS (DURABLE) (49)	215.20	+11	15.28	5.94	8.02	212.76	212.61	216.70	217.39	251.14	l
12	LL Electronics, Radio, TV(14)	310.95	+13	11.74	4.27	10.89	306.87	307.11	313.44	314.99	342.46	Į
13	Household Goods (14)	105.12	+12	28.12	10.56	4.20	103.86	103.74	105.67	105.80	176.83	ł
14	Motors and Distributors (21)	102.32	+0.6	22.69	9,74	5.14	101.71	101.20	102.76	102.62	128.39	l
4.7	CONSUMER GOODS		7.0		7,04						.بـــــ	۱
21	(NON-DURABLE) (173)	214.32	+0.7	19.01	7,25	6.40	212.74	211.85	213.71	215.60	25T:A7	ſ
2 2	Breweries (14)	269.99	+0.7	16.40	6.51	7.16	268.14	26411	267.06	268.00	285.57	ĺ
23	Wines and Spirits (5)	303.30	+0.2	17.96	6.16	6.86	302.55	297.92	301.67	303.28	335.05	l
24	Entertainment, Catering (17)	290.20	+1.1	19.72	7.49	6.29	287.09	282.99	287.04	290,64	361.05	l
25	Food Manufacturers(21)	189.22	+0.5	26.75	7.78	5.66	188.29	188.73	190.8I	191.85	229.66	ı
26	Food Retailing(13)	292,28	+0.5	13.72	4,93	8.75	298,84	228.69	290.95	302.29	313.12	t
32	Newspapers, Publishing (13)	397.10	-0.1	24.59	7.63	5.46	397.66	403.14	430.95	415.43	472.52.	ı
33	Packaging and Paper (15)	130.89	+0.9	24.71	8.93	4.97	129,70	128.95	129.26	130.11	151.30	ł
34	Stores(43)	212.72	+0.9	14.31	5.48	9.12	210.78	208,81	Z11.58	213.33	257.43	ı
35	Textiles(24)	122.12	+1.0	29.53	12.65	4.22	120,89	120.21	121.49	120.96	182.59	i
36	Tobaccos (3)	198.66	+0,8	29.31	11.65	3.87	197,10	195.02	199.58	200.56	272.69	Ì
37	Toys and Games(5)	32.00	-0.6	46.99	15.86	2.62	32.21	32.78	33.47	33.32	87.81	ı
41	OTHER GROUPS(98)	199.91	+0,8	17.72	7.42	6.75	198.30	195.28	198,44	199.41	226.73	i
42	Chemicals (16)	295.60	+0.3	20.95	8.11	5.46	294.78	289.67	294.44 388.28	295.95	317.82	l
43	Pharmaceutical Products (7)	188.60 109.26	+0.2 +1.4	13.31 19.55	7.10 7.51	9.32 5.90	188.19 107.72	185.11 105.63	109.15	188.66 109.66	268.72 147.83	ĺ
44 45	Office Equipment (6) Shipping (10)	495.65	+1.5	12.13	7.03	10.25	488.24	460.23	471.13	465.58	457.86	ı
46	Miscellaneous (59)	243.21	+1.3	17.24	6.98	7.28	238.01	236.89	239,53	241.75	258.36	i
49	INDUSTRIAL GROUP (492)	223.64	+0.9	18.29	7.06	6.67	221.70	219.68	222.91	224.37	262.30	l
51	0is (8)	717.02	+1.0	32 11	7.19	3.44	71011	691.66	700.75	714.88	685.48	ı
59	500 SHARE INDEX	262.75	· +0.9	21.13	-7.08	5.59	260.42	257.15	260.85	263.28	296.77	ı
61	FINANCIAL GROUP (218)	199.74	+1.0	2115	6.15	7.79	197.70	195.10	198.05	198.53	212.36	
62	Banks(6)	216.15	+1.0	45.27	7.12	271	214,49	212.45	214.06	214.62	252.93	l
63	Discount Houses (3.0)	228.10	+0.4	4527	8.21		227.12	226.87	232.54	232.54	265.14	1
.64	Hire Purchase (5)	202.81	+0.9	16.20	4.90	.8.02	200.97	197.95	200.97	200.97	195.63	ı
65	Incurance (Life) (TO)	178.46	-0.2		714		178.87	176.62	181,06	180.30	175,07	
:66	Insurance (Life) (IO) Insurance (Composite) (9)	127.32	+2.4	_	8.45	_ :	124.29	122.48	124.54	124.61	151.55	ĺ
67	Insurance Brokers (10)	296.88	+0.6	16.47	6.90	8.50	295.08	258.83	297.71	298.88	326.34	
68	Merchant Banks (14)	101.97	+0.2	-	6.12	_	101.78	101,95	103.92	104.09	100.82	ĺ
69	Property (45)	395.95	+1.0	3.35	2.75	42.49	392.06	383.01	388.01	390.56	358.16	ĺ
70	Miscellaneous (9) Investment Trusts (109)	125.27	+1.2	20.88	7.50	610	123.73	126.61	127.86	128.06	132.96	ĺ
扣	Investment Trusts (109)	210.98	+0.8		6.26		209.25	210.08	212 91	213.95	245.45	ĺ
81	Mining Finance (4)	187.01	+0.9	14.26	5.28	. 8.52	185.38	189.31	184.02	185.57	141.34	Į
91	Overseas Traders (19)	381.38	+0.1	13.14	7.12	9.32	380.94	377,86	383.62	383.32	367.56	ĺ
99	Overseas Traders (19)	247.59	+0.9		6.82		245.39				273.59	
									1	,		
-				- [-	214	ED INT	EDECT	- 1			,	į

•						Ĺ		SOYL AY.	Gross Red	٠	29	28	(approx.)	
	British Government	Tues., April 29	Day's change %	ad adj today	xd adj. 1980 to date	1 2 3		1: 2:	years years years		12.53 12.42 12.42	12.57 12.54 12.54	9.28 18.16 10.75	
1.	Under 5 years	102.59 106.87	+0.41	=	3,45 3.97	5 6	Мебшт Сопролѕ	14	years		14.27 14.01, 13.88	14.45 14.15 14.00	10,77 10,45 11,66	
3	Over 15 years	110.64 124.24	+0.91 +1.24	-	4.51 6.00	7 8 9	High Coupers	74	years years years		14.34 14.32 14.29	14.52 14.47 14.42	11.15 11.85 11.92	
5	All stocks	106.37	+0.73	_	3.95	10	irredecan		10003		13.67	11.82	10.59	
	Tues., April 29 Mon. Fri, Thurs. Wed. Tues Mon. Fri. Year April (approx)													
15	20-yr. Red. Deb	& Loans	(15)	50.15 11	4.74 50	.15	50,09	49,98	48.94	49,93	49.89	49.82	61,51	
16	Investment Tru			47.62	4.17 47	,62	47,63	47,81	47,81	47,81	47.67	47.67	51.45	
17	Coml and Indi	. Prefs.	(20)	61,64 1	4,57 61	.61	61.61	61,78	61.72	61,72	61,46	61,38	75.24	

FIXED INTEREST PRICE INDICES

t Redemption yield. Highs and lows record base dates and burday issues. A list of the constituents is susilable from the mon Street, London, ECAP 4BY, price 15p, by post 25p.

Denomina- of Stock tion marks price (p) on day Carless Capel ... 10p Rugby Portland 13pm Ocean Transport 25: Premier Cons. ... Imp. Cont. Gas... 593 320 314 250 223 278 188 238 105 353 Tricentrol BAT Inds. ...,.... BTR Blue Circle P. & O. Defd. ...

OPTIONS DEALING DATES Loraine, Bank and Commercial Burmah Oil, Pacific Copper,

First Last Last For Deal- Deal- Declara- Settleing ing tion ment Apr. 21 May 3 Jul. 24 Aug. 4

Wm. Press, Lasmo, Allebone. BSG International, Howard Tenens, Rush and Tompkins and May 6 May 16 Aug. 7 Aug. 18 Charterhall. A put was arranged in Archimedes Capital, while May 19 Jun. 6 Aug. 28 Sept. 8 For rate indications see end of double options were transacted Stocks to attract money for mines, Clifford Dairies "A' the call included Lonrho, Ladbroke Warrants, Rush and Courtaulds, Premeir. BP, Inter- Tompkins and Premier.

RECENT ISSUES

sve ice pi	Amount Paid Up	Latest Renunc. Date	19 High	80 Low	Stock	Price	+ or	Div. P. of Amount	Times	₽ Piest Piest	P.E.
90 10	F.P. F.P. F.P. F.P.	 6/5	180	135 70 94 251 10	Amstrad Cons. Elect. Hemerdon Mininglis Lon. Mer. Secs. Defd Morley IR.H.: 10pl Roche Plant 10p Trst.ofProp.Shrs.Sp Ward Hidgs. Dfd	160 87 99 261 ₂	+8	bd 5,8 — b4.75 1.25 —	1.3	6.9	_ 16.9

EQUITIES

FIXED INTEREST STOCKS

Price to	Amount Pald Up	Latest Renung Pate	19 High		Stock	Olosing Price &	+ or
15-0-0-0-0	F.P. F.P. Nil F.P.	2/9 30/5 9/5 29/5 30/5	1031 ₂ 106 951 ₉ 1004 5pm	104 95½ 100¼ 93½ 100¼ 3pm 91	Edwards (L.C.) 8% Conv. Red. Cum. Pref Globe Inv Tst 11:% Conv Uns Ln '90-95 Imp. Cont. Gas 8% Conv. Loan. 1985-2000. Leigh Interests 19pc Conv. Uns Ln. 1986-2000. Mid Kent Water 9% Red Pref. 1985 Mid Southern 10% Red Prf. 1985 North Brit. Props. 94% Cov. Uns. Ln. 1986 Norwest Holst 11:3% Red Cum Pref 1986 Sutton District Water 10 poRed Pref. 1983	1051 ₂ 1031 ₂ 104 941 ₄ 1001 ₄ 5pm 91	+12

"RIGHTS" OFFERS

Issue	.≝ê		est unc. ite	19	S0	Stock	Closing prices pt	+ or
Price p:	4 0	•	*	High	Low		ð.	<u> </u>
135 223 30 27 60 48 60cts 54 180 68 110	Nil F.P F.P. Nil Nil F.P.	=	12/6 24/1 23/5	340 95pm 2pm 855 65 435pm 15pm	283 90pm 1pm 660 58 190pm 13pm 116pm	AGB Research Aran Energy Brent Chemicals First Castle Secs Hammerson Prop. A Howard Tanens Pancontinental Rugby Portland Cement United Biscults Watmoughs	165 332 94pm 8pm 850 60 235pm 15pm 122pm 73	+1 +4 +2 +1 +6 -1 -16 +1 +2 +1

UNIT TRUST SERVICE

OFFSHORE &

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Sun Life of Cassada (UK) List.

2, 3, 4, Cockspur St., SWIY 58H 01-930 5400
Maple Li, Grith. 227.8 01-930 5400
Maple Li, Mangd. 144.9 — Maple Li, Gay. 144.9 — Pers. Man. Cap. 102.5 107.9 — Pers. Man. Cap. 102.5 107.9 — Pers. Man. Acc. 110.4 116.2 — —

107, Cheapside, Lordon, ECZY 6,001 0 Managed 1412 147, Equity 1714 2015 148, Tender 1714 147, Equity 1714 118, Tender 1714 11

Prices for Series 1, single prenium pla will be tractionally higher than dose at Target Life Assurance Co. Ltd.

e ins. LTE. 040364141 1767 +159 --1515 +0.9 --1528 +0.5 --1328 +0.6 --

0272 32241.

0392-521.55

01-626 0511

The London & Manchester Ass. Gp. V
Winslade Park, Enter. 0992 521-55
Can. Growth Find 144.7

ØFlex. Exempt Fd. 144.7

ØExpeling Prop. Fd. 126.1

ØExpeling Prop. Fd. 195.3

Flexible Find 119.6

Inv. Trust Fland 119.6

Property Fend 98.1

Fixed Interest Fd. 91.3

Fixed Interest Fd. 91.3

Charterhouse Japhet 1 Paternoxer Row, EC4

Eurobond Holdings M.V. Handelskade 24, Willessetad, (Handelskade 24, Willenstad, Curacan London Agents: Intel, 15 Christopia Tel, 01-247 7243, Telec: 8814408, Euro Hidgs. (\$19.52 20.28)

| Markenne (STG) Fd. (1934) | 9,96 | 3.62 |
6.T. Festnology Fd. (1931) | 1.25 | 1.25 |
6.T. Pacific Fd. (1931) | 1.25 | 1.25 |
6.T. Pacific Fd. (1931) | 1.25 | 1.25 |
6.T. Pacific Fd. (1931) | 1.25 |
6.T. Philippine Fd. (1937) | 1.25 |
6.T. Pacific Fund (1938) | 1.27 |
6.

Crive Investments (Jersey) Ltd.
P.D. Box 86, St. Peter Port, Guernsey, 0480 25:52
Ltd. Git Foruth Fd. 159,83 9,894-0.04 3.5
Circe Git Fd. (C.L.) 159,73 9,894-0.04 3.5
Circe Git Fd. (C.L.) 159,73 9,894-0.04 3.5
Circe Git Fd. (Ltd.) 159,63 9,70 123
Close Git Fd. (Ltd.) 159,63 9,70 123

AUTHORISED 22 Biombed St., EC2M 7AL 01-638 4465
Disc. Inc. April 25 202.0 215.5 1 5.74
E. F. Winchester Fund Magt. Ltd.
44, Bloomstary Square, WCLA 2RA 01-623 8893
Great Winchester. 0438 56101 70.4 5.04 quity & Law Un. Tr. M.V (a)(b)(c)

693 +02 1097 73.0 +07 836 43.1 +03 838

28.91 +0.21 3.75 47.31 262 99.01 +0.61 2.37

01-236 5281 G. & A. Trust (a) (g) 5 Rayleigh Road, Brestwood.

Allied Hambro Group (2) (g)
Hambro Hse., Huston, Brentwood, Essex.
11.588 2851 or Brentwood (0277) 211459

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Brawn Shipley & Co. Ltd. W(a) (g)
Brants Hse, Haywards H'th, Sx. 0444-5
&S. Units April 29 27.2 251.4 ...
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Leneral 22.4 23.7 at -0.3
Leneral 22.4 45.4 at +0.5
Leneral 22.4 45.4 at +0.5
Leneral 12.5 45.4 at +0.5
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0403 64141 2733 +14 543 1238 +14 4.98 Target Tst. Mngrs. Ltd.W(a)(g) 31. Gresham St., E.C.2. Dealing:: 029 19. Athol Crescent, Edin. 3. 031-031-229-86-71/2 931-0-11 4.59 1593-1-13 4.59 1593-1-0-11 4.57 2577-1-0-1 159 2577-1-0 159 2577-1-0 159 2577-1-0 159 2577-1-0 159 2577 Unit Trust Managers Ltd. (a)
Courtwood House, Sliver Street, Head.
Sheffield, S1 3RD.
Tel: 0742 79842 Tower Unit Trust Mingt. Ltd. 39/45 Firebury Square, EC2A 1PX 01-628 2294 Funds in Court*
Public Trustee, Kingsa
Capital Apr. 17
Gross Inc. Apr. 17
High Yield Apr. 17
"Unauth, Restricted u

d. (0277) 227300 · 29.4] +0.2| 5.28 igers (a)(g) 01-6236114 Tyndall Managers Ltd.♥ 01-606 6060

| March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | March | Marc Technology
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Intl. Erns. & Assets ...
American
Far East & Gen.
Govett (John)
77 London Wall, EC2
Storklide, Angl. 21 Archway Unit Tst. Bigs. Ltrl. (a)(c) 317, High Holborn, WC1V 7NL 01-831 6233 Archwy Fund 198.1 105.5] 1.5.96 Price at April 24, New sob. day May 1.

Pelican Units Admin. Ltd. (g)(x) Unit Trust Account & Mgmt. Ltd. 44, Bloomsbury Sq., WC1A 2RA 01-623 8893
Practical April 23 1504 160 fml 565
Accum, Units 278 2424 565

33月+03 45 Britannia Trust Management (a)(g)(2) 3. London Wall Belidings, London Wall, London EC2M 5QL. 00-638 0478/0479 545월 +6월 122 Hill Samuel Unit Tst. Mgrs.† (a) Rethschild Asset Management (g)
72-80, Gatebouse Rd., Aylerbury. 0296 5941
N.C. Equity Fund 166-9 177 5el +1-6 536
N.C. Engy, Res. 7s. 1696 1591 +23 329
N.C. Income Fund 1392 148.0 +1-6 8.76
N.C. Inc. 161. Fd. (lac.)80.0 851 +1-6 8.76
N.C. Inc. Fd. (lac.)80.0 851 +0-8 162
N.C. Smilr Coys Fd. 198.6 2112 +1-3 4.66

The British Life Office Life (a)
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El Pritch Life 52 57 3d 40,7 7.06
El Dindead 52 50 50,40 0.07
Pritch April 20. Next design Bay 7. Royal Tst. Cam. Fd. Migrs. Ltd.
48-50, Cannon St., London ECAM 6LD 01-236-6044
Capital Fund 73.5 79.0m 421
-Income Fund 84.6 97.4 9.6
Prices on April 15. Next dealing April 30. Saturn Fund Management Limited
66, Cannon Street, EC4N 6AE 01-236 1425
SIMCO Call Fundt ... 100.0 ... 17.66
SIMCO 7-Day Findt ... 100.0 ... 17.60
Unauthorized. Cash Deposit Funds. 5월 12일 11일

529 +0.5 4.94 76.11 +0.61 3.18 78.77 +1.11 1.90 46.81 +0.11 1.98 76.41 +0.61 1.44 SE Asia | 711 | 76.4| +0.5| Lee

Sector Funds | 107.3 | 115.3| -1.2| 3.29
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Final Board Fund | 20.2 | 75.4| +0.9| 2.56
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Select Internal | 20.6|
Select Internal | 20.6| Select Internal | 20.6| 20.6|
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Scotishares (68.2 73.3 +0.9 4.83

Schlesloger Trust Mingrs. Ltd. (a)(c)(g)

140, South Street, Dorting
(20.2 25.3 4.0.2 25.3 4.0.2 25.3 4.0.2 25.3 4.0.2 25.3 4.0.2 25.3 4.0.2 25.3 4.7 4.9 4.0.87

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Extra Inc. 15... 25.9 32.4 4.0.3 10.97

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Inc. 107 Word VI. 20.9 32.4 4.0.3 10.97

Inc J. Henry Sciroder Wagg & Co. Ltd. V(a)(c)
120, Cleagade, E.C.2.

121, Cleagade, E.C.2.

122, Cleagade, E.C.2.

123, Cleagade, E.C.2.

124, Cleagade, E.C.2.

125, Cleagade, E.C.2.

126, Cleagade, E.C.2.

127, Cleagade, E.C.2.

128, Cleagade, E.C.2.

128

Prices are in peace unless otherwise indicated. Yelds % (shown in last column) allow for all larying expenses. 2 Offered prices include all expenses. 3 Offered prices include all expenses. 4 Inday's opening price. In India and insurance plans, 5 Single premium insurance plans, 5 Single premium insurance plans, 5 Single premium insurance. 2 Offered price includes all expenses stores agent's commission. 3 Offered price includes all expenses if bought through managers. 2 Previous by's price. 9 Net of lax on realised capital galaxing indicated by 6. 5 Georgies gross. 5 Supensted. 4 Yield before Jersey tax. Ex-subdivision. 21 Only available to charitable label. | Accum Units | 1115 | 1127 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 |

Combil Insurance Co. Ltd. 02-626-5430 24, Castle St., Edinburgh. Scot. Cap. April 24..... 159.8 (Accum. Units)....... 200.8 Scot. Inc. April 24...... 160.0 clail Printy.... TSB Unit Trusts (y)

21, Chamty Way, Andover, Hants.

Dealings to 0264 634323.

(b) TSB General 49.0 53.6 +0.5 534

(b) TSB General 57.7 72.8 +0.7 534

(b) TSB Income 59.0 63.5 +1.0 87.7

(b) TSB Income 59.0 63.5 +1.0 87.7

(b) TSB Scottists 89.0d 0.8 352 353

(b) Do. Accum 72.8 99.8 +0.9 3.53 Ulster Bank♥ (a) 37.6(+0.1) 6.82

01-623 495

ortfolio Man. Acc..... 46.6 ortfolio Man. Init..... 45.0

Commercial Union Group
St. Helen's, 1, Undershaft, EC3.

374 548 **INSURANCE**

Guardian Royal Exchange Royal Exchange, E.C.3. Fundam Assurance
Property Bondsy.

Site Linked Life Ass
Managed Initial
Do. Accum.
Fixed Int. Initial
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SRF Pensions Management
Pens Managed Initial 54.4
Pens Equity Initial 55.7
Pens Equity Initial 55.7
Pens Equity Initial 55.7
Pens Equity Initial 56.8
Pens Fixed Int. Initial 58.8
Pens Prop. Initial 55.7
Pens Prop. Acc. 95.7
Pens Depos Initial 57.0
Prices at Agrill 29, Valuation normally Tuesday,
Albany Life Assurance Co. Littl.
31, Old Burlington St. W.1.

9 Equity Fd. Acc. 212.6

9 Fixed Int. Acc. 212.6

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1 M*ple Im.Pen.Acc .: [281.1 200.1]

AMEV Life Assistance Lbi.

Alma Hse. Alma Rd., Reigate.

AMEV Managed ... [150.1 158.2]

AMEV Money Fd. ... [20.7 127.0 AMEV Equity Fd. ... [103.5 109.2 AMEV Freed Int. ... 77.0 81.1 AMEV Money Fd. ... [27.3 128.9 AMEV Prop. Fd. ... 122.3 128.9 AMEV Mod. Pen. Fd. 8 104.3 AMEV Mod. Pen. Fd. 8 104.3 113.6 Flexifund ... [77.5 102.7]

AMEV Mod. Pen. Fd. 8 104.3 113.6 Flexifund ... [77.5 102.7] Reigate 40101 66.1/ 107.5 97.2 -0.3 108.1 +0.1 01-534 5544

Erraty Company 1722 / 2 (all-edged 1713 a) Property 1451 international 85.4 Managed 1721.6 Money Pens. Accum. 124.3 Do. India 1710.1 Money Pens. Acc. 172.1 6 Do. India 1710.1 Money Pens. Acc. 273.0 Do. India 1710.1 Money Pens. Acc. 273.0 Do. India 1711.8

De. Initial

De. Initial

Beekive Life Assur. Co. Ltd.♥

77. Lorobard St., EC3. 116.52

Black Horse Man. Pd. 101.08 108.51

Black Horse Man. Pd. 101.08 108.51

Property Fd. 101.08 101.56

Fried Interest Fd. 102.53 101.56

Extra Income Fd. 102.53 101.56

Extra Income Fd. 102.53 101.56

Extra Income Fd. 102.50

Extra Income Fd. 102.50

Balanced Fd. 102.50

Sorir Co's & Recu.Fd. 38.30 98.77

Int. Tectuology Fd. 105.10 100.00

Canada Life Assurance Co. 2.6, High St., Potters Bar, Herts. P. Bar 51122

Equity Eth Fd. Feb. 3. 61.8 10.90

Canada Life Assurance Ltd. 10yappic Way, Wembley HA9 ONB. 01.902 8876

Equity Eth Fd. Feb. 3. 61.8 10.90

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Transinternational Life Ins. Co. Ltd. 2 Bream's Bidgs., EC4A INU. 01-405 6497 International 1043 105.5
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Pers. Prop. Act. | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100.7 | 100 Prop. Equity & Life Ass. Co.♥
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Blishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, Lo. M | 0624-29912 |
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CANNEN O'*-Apr. 8 | 12.269 | 16.22 | 171 |
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Ruffebore St., St. Peter Port, Guernery, C.I., Guernery, T.I., 179.1. 170.2 + 34 3.89

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Barr & W.A.T. A'.
Black Edgin. 50p.
Boosey & Hawkes
Campari Int. 20p.
Coral Leis. 10p.
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Horizon 5p
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Magat Ag. M. 10p.
Medmingtor 10p.
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Pleasurama 5p.
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Saga Hok. 20p.
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Wetherd TV 10p. 6496501152641142944552151236751751356144661524 Merch Brst. Props., Peachey Prop. Nide, S. Inv. Prop. Nide, S. Inv. Prop. Part'ship. Prop. Sec. Inv. Prop. Sec. Inv. Prop. Sec. Inv. Sip. Regalain Prop. Sec. Inv. Samuel Props. Sec. Merch. 20p. Sec. Merchane Prop. Sec. Merchane Prop. Utd. Real Prop. Utd. Real Prop. Warner Estate. Warninger P. 20p. Wristin. & Cty P. Willinster P. 20p. Winninger P. 20p. Winninger Set. Sec. Merchane Sec. Merchane Set. Sec. Merchane Set. Sec. Merchane Set. Sec. Merchane Sec. Merchane Set. Sec. Merchane Sec. Keisey (nots.
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Berait Tin ...
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Assoc. Ene 'g...
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Antomotive ...
Biluentel Bros. ...
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Dowly 50p.
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Filight Refuelling.
Lucas Inds. £1...
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Barlow Hidgs. 10b. Bertam Cons. 10p
Castlefield 10p ...
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Grand Central 10p
Guithrie £1.
Harrison My, Est. 10p
Highlands M50c.
Ldn. Sumabra 10p
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Malay, Plants. M\$1
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177, 922 | Durban Deep R1... | 113, -5 | 0155c | 2.7/ 7.8 | 155, 912 | East Rand Prp. R1... | 113, -4 | 0100c | 3.3 | 5.0 | 1354 | 123 | Randforth Est. R2... | 127, -7 | 0800c | 2.8 | 125 | 238 | West Rand R1... | 267 | -6 | 017 pc | 1.7/ 3.8 | Eastern Rand | Callor | C PAPER, PRINTING Far West Rand S1 K2170

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215 -7 -2 0600

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S27 -10 1015

S27 +1 10010

S26 -2 0155

S27 +1 10010

S26 -3 0150

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The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irich Issues, most of which age not officially listed on London, are as quoted on the Irich exchange.

Albany low. 20p. 27

Bertam. ES. 50p. 570

Ret. 99. 23,32 2 284 1-10

Bertam. 65. 50p. 60p. 120 144

Clawer Groft 60p. 60p. 179. 139. 67102 50p. 145

Clawer Groft 7702 50p. 120p. **OPTIONS** 3-month Call Rates TRUSTS, FINANCE, LAND
Investment Trusts A. Srew
BOC Indi.
B.S. R.
Bebook
Berchars
Bebook
Berchars
Bloe Circle
Boots
Bowsters
S. A. T.
Brown (J.)
Burton 'A'
Confrands
Debenforms
Distillers
Dunlop
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Luces to Gen.
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P & O Did.
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P. H. M.
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Reed total.
Sears
Tesco
Troor
Central African -5 1054c -5 10200c -1 0.56 -10 100.12 -1 109c 280 600 36 168 53 27

For all types of Commercial Property **CITY OFFICE: 01-377 0137**

FINANCIALTIMES

Wednesday April 30 1980



Gilts up on hopes of MLR cut

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Rate during the summer.

noted in a speech in Milton over 181 per cent at the Keynes that since October Keynes that since October there had been a marked slowing down in the rate of monetary expansion.

The underlying growth is back within the target range,"

But a warning specifically directed at "soft-liners." Sir Geoffrey said the Government could not let up on monetary policy just because things look

Hunts fail

to answer

subpoena

MR. NELSON BUNKER HUNT

and his brother Mr. W. Herbert

losses when the silver market

collapsed last month, laid

themselves open to possible penalties yesterday when they

failed to answer a subpoena to

been ordered to appear before

the House sub-committee on

Commerce, Consumer and Moneary affairs, which is

investigating the Federal

response to recent events in the

After the Hunts failed to

vote dunanimously to recom-

mend that a motion of contempt of Congress should be submitted

to the House of Representatives.

before the House Committee on

Governmental Operations a week from today. If forwarded

to the full House, a vote could

almost any time. Should Con-

gress vote in favour of the

motion, the contempt charge

could be presented to a Grand

about four weeks.

The Hunts could be charged

with an offence carrying a

prison sentence of between one

and 12 months, in addition to

burg, a lawyer for the Hunts.

said the brothers were prepared

to appear before the sub-com-

mittee, "but not at this time." Mr. Goldburg said the Hunts

were subject to a number of

inquiries from various Govern-

ment bodies and had a very

Hunts mortgage property worth \$3.2hn.

Continued from Page 1

busy schedule.

fine of between \$100 and

The motion will be brought

sub-committee

silver market.

The Texan oil billionaires had

PRICES of gilt-edged stocks of £11 on Monday. Unfavourrose sharply yesterday on hopes able international news has of a cut in Minimum Lending been shrugged off.

This follows Sir Geoffrey yesterday by a further fall in Howe's indication on Monday money market interest rates. that the main priority of Three-month interhank rateseconomic policy is a reduction a key influence on the interest in interest rates as soon as cost of part of the banks' deposits—yesterday slipped to Yesterday, the Chancellor 177 p er cent compared with

> The rate on local authority one year (yearling) bonds also fell by 1 to 154 per cent at yesterday's weekly fixing.

and key advisers within the Treasury and the Bank of England are urging caution. It is likely that the authorities

will want to see another month's,

There is particular uncertainy about the strength of demand for writes: The U.S. prime lending bank credit. The first indication rate continued its downward will be in the mid April banking progress yesterday, as interest figures which are due to be rates eased across a broad announced in a week's time.

Most market anaysts still do for some time,

interest rates on Monday came during questioning by the Commons Treasury and Civil Service about the impact of the cut its prime lending rate to strong pound on industry.

without endangering the monetary target and inflation objectives.

He said the main way of

Ian Hargreaves in New York

For the fourth successive day, not expect even a small cut in the Federal Reserve Board MLR until at least June. Even if allowed its key federal funds MLR does fall then, a cut in rate to drift lower. Previously mortgage rates is highly unlikely the Fed had intervened when it reached 14 per cent, but at Sir Geoffrey's comment about one point yesterday the rate

touched 131 per cent. Another major New York bank, Chemical Bank, yesterday 18! per cent, but others are There are strong political He argued that the Governpressures for a cut in MLR but the timing remains uncertain, push down the exchange rate ward movement of interest rates to be bumpy.

Treasury bill rates continued at their lowest levels since Octobers, Following the Fed's relieving pressures on indus- announcement on Monday of its The more optimistic market and probably two months, try's liquidity would be for the first anti-inflationary proview was reflected in rises of money supply and banking Government "to move as gramme, three months bills up to £1 yesterday in prices figures before considering a quickly as it can to a lowering were auctioned at a discount of of interest rates."

Wiggins Teape plan folds

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE PLANNED joint venture employment in the area for between Wiggins Teape, the those made redundant by the paper group, and Consolidated Bathurst of Canada, newsprint manufacturers, to build a £100m newsprint plant in the Scottish Hunt, who suffered enormous Highlands was abandoned yesterday.

The decision was made because of high UK timber prices and insufficient Government assistance.

It means the closure of the Wiggins Teape pulp mill at Fort William, which has been unprofitable since it opened in 1966. Recently it has been losing £2m to £3m a year. Consultants recommended

building a newsprint plant and changing from chemical to mechanical pulping as the best way of keeping the mill open-Mr. Patrick Best, Wiggins

Teape chairman, told the 450 employees that the company had tried to find a solution, but now believed there was no alternative to closure in six

The neighbouring fine paper plant, with 900 employees, is not affected and could be expanded in the future. There is little alternative ing.

The newsprint venture was announced in February. The companies said they planned to install the largest machine in the UK able to produce 156,000 tonnes a year of internationally competitively-priced newsprint

Mr. Bill Turnerw, Con-solidated Bathurst president, said that since then business risks had been increased by growing uncertainty about the future relationship between sterling and the U.S. dollar, which affected American and Canadian newsprint prices.
Other factors included the

from home-grown timber,

cost of wood in Scotland. Although similarly priced to European and Scandinavian timber, it is twice as expensive as that produced in North There naturally America. regenerating forests do not bear cost of replanting.

Mr. Best said failure to reach agreement with UK timber supliers on wood costs had been a bitter blow. The financial package offered by the Government had also been disappoint-

The project qualified for regional development grant-to be reduced from 20 to 15 per cent from August 1-but more had been hoped for in discre-

Mr. George Younger. Secre-tary for Scotland, said he accepted that, although the Government was willing to offer maximum financial assistance, this was not sufficient to alter the companies' judgment that the project was not com-mercially justified at present. He praised Wiggins Teape for trying to find alternative work for the pulp mill.

The Government would now make the provision of more for the Highlands a priority.

Forestry Commission said in the six months before closure it would try to find other companies to use the 250.000 tonnes of wood a year consumed by the mill.

Sir Kenneth Alexander. chairman of the Highlands and Islands Development Board, said the decision was a terrible blow to the Highlands. It would double unemployment in the Fort William area.

Marples Ridgway quits Iran job

BY SIMON HENDERSON IN TEHRAN AND PATRICK COCKBURN IN LONDON

The contempt recommendation was made after Mr. Roger Gold-MARPLES RIDGWAY, the February, the company's chairof payment difficulties.

> The 180-mile road in the remote south eastern province of Baluchistan was the largest British involvement in a development project continuing the revolution February last year.

> But the project has been a thorn in the side of Bath and

civil engineering subidiary of man warned at its annual the Bath and Portland Group, general meeting that he had is pulling out of its £105m road sent a letter to the Iranian building project in Iran because Ministry of Roads threatening to withdraw unless progress payments and arrears came through. The ultimatum expired last week. Marples Ridgway's decision to pull out has nothing to do with the threat of EEC sanctions against Iran, though it "may speed up the process of scaling down,"

the company said 'esterday. was suspended in in 1978-79. Portland, since then. In January last year as progress

payments fell into arrears. Three months later they totalled £18m. Work restarted in July with the encouragement of the Iranian Government, but there have been continual problems over payments.

A few of the 25 Marples Ridgway employees in Iran will remain there to look after equipment, the company said, Loss of earnings from 1rna were largely responsible for a drop in Bath and Portland's pretax profits from £5.2m to £2.5m

Iran crisis, Page 4

Continued from Page 1

Ministers chaired the summit, said his

government would be making fresh efforts to encourage

However, the general reluctance among the eight to take the problem to another summit means that after the dust has settled EEC foreign ministers may try to carry on where their principals left off. Their meeting on Monday is expected to feature a general discussion on the issue.

Mrs. Thatcher's readiness to employ blocking tactics on farm prices and lamb may eventually force her budget demands on to the summit agenda if there is no possibility to progress at a lower ministerial level.

Thatcher threat on EEC business

of £1.2bn should be erased.

officials have calculated that the farm price deal rejected in Brussels would have yielded a net benefit of £25m to the UK this year.

the farm council would have added about £500m to the total

had overplayed her hand at the under existing arrangements, start of her campaign by Britain would have had to pay demanding that the total deficit about £90m. Extra returns from the Common Agricultural Policy (CAP) would amount to The proposals forward by the about £30m, leaving a net deficit farm Ministers to the summit Richard Mooney writes: Policy (CAP) would amount to British Ministry of Agriculture about £30m, leaving a net deficit of £60m. That would have been however, by the continuation of

Britain, the officials said, be- crease in surpluses of the pro-1980 farm budget, of which, caused it failed to recognise the ducts.

ned for a price freeze on products structurally in surplus. and wine.

would have raised all EEC farm more than compensated for, prices by an extra 2.5 per cent above the levels proposed by the 30p a pound UK butter the Commission. That would subsidy, which the Commission have curtailed 4.1 per cent rises The 5 per cent price rise supported by all but Mr. Walker at the farm council would have the farm council would ha

Continued from Page 1

MacGregor accepts British Steel post

have insisted that he should War and because of his age. move his home from Connecticutt to the UK.

MacGregor has been a strong supporter of Sir Michael British Shipbuilders. Edwardes' firm line with the In both cases the BL trades unions.

He is a passionate believer in the manager's job of improving productivity and is expected to take a tough line when deciding which parts of BSC are

the Government during recent should be devised to replace the months Mr. MacGregor, a system of control by annual cash friend of Sir Charles Villers, is believed to have insisted that BSC is needed. in his view, if he should have maximum free- even some parts of the corporadom from Whitehall inter- tion are to survive. ference in trying to make the industry efficient.

fore be controversial. There the Government and the cormay also be criticism because poration last year—15m tonnes eliminate that rate of loss
he has not worked full-time in annual production capacity emduring this financial year by

Government is also thought to the UK since the Second World ploying 100,000.

Ideally the Government had hoped to find someone in his causing BSC in an interview Known in business circles as mid-40s to become BSC chaireffective manager, Mr. man. A similar age-group was favoured for the chairman of

In both cases the successful candidates are in their mid-60s -the chairman of British Shipbuilders, who is to announced next week, is Mr. Robert Atkinson, 64,

Sir Charles Villiers intends to viable, especially on the basic tell the Covernment that a long-During long discussions with term Government plan for BSC limits. A new national plan for

Charles has doubts Sir whether the decline of BSC can His appointment could there be stemmed at the level set by

Sir Charles revealed the extent of the damage inflation is with the Financial Times. There was no hope, he said, of the corporation being able to raise steel prices generally in the next year in order to recoup some of its rising costs. Trade was so poor that higher prices

would simply suck in imports. Between September, 1979, and March, 1981, the direct effects of inflation and settlements are expected to add £210m to BSC's wages bill. £65m to the coal bill, £25m to the electricity bill, £50m to the iron ore bill, and

£100m in other charges. BSC has lost more than £450m in the past financial year. The actual losses following the strike in the last quarter are

still being calculated.

the big production and job cuts, However, it's now clear to Sir Charles and his board that the corporation is in danger of running up a £450m deficit in Brussels 1980-81, for the second year in succession.

BSC executives have been appalled by the latest market predictions. Consumption of steel in Britain is expected by BSC forecasts to fall by 17 per cent this year.

In 1979 British industry and In 1979 British manager, stockists took 15.6m tonnes, faio This year, demand is not expected to exceed 13m tonnes. That dramatic fall is explained. in part, by the use during the strike of steel stocks which are not being replaced. But it also points to a falling off in indus-

Western European steel consumption is expected to fall by 6.7 per cent this year, and total world consumption to fall by 4 per cent.

press for interest rate cut

By John Elliott, Industrial Editor

THE CONFEDERATION of British Industry is likely to put urgent pressure on the Government to bring down the level of interest rates during the next few weeks.

Industrialists are increasand worsening corporate liquidity.

These problem

underlined yesterday by the CBI's latest quarterly trends survey. This showed that 70 per cent of manufacturing industry is working below capacity and that employment levels are dropping sharply. The situation was discussed

yesterday afternoon by the CBI's economic policy commit-tee. At meeting may be requested with Sir Geoffrey Howe, Chancellor of the Exchequer.

Senior CBI leaders helieve that they should stress the problems faced by industry and ask for urgent action.

They are likely to argue that the Government can afford to act quickly because the growth of money supply is now only a fraction above the top end of the 7-11 per cent target range set by Sir

Geoffrey.
They will add that industry cannot afford to wait for the growth level to come down to the middle of the 7-11 per cent

гапте.

Launching the quarterly trends survey yesterday. Sir Ray Pennock, chairman of BICC and CBI president-elect, criticised the Government for not cutting public spending sufficiently.

"Although the CBI has supported and will continue to support the Government's

monetary policy, it is fair to say that business would have expected more effective control of public expenditure." Sir Ray, who becomes president next month, On all fronts the Govern-

ment's monetary policy is now rates needed to be brought The CBI's survey says that

demand and output are expected to continue to decline in the next few months and that consumer industries have been hit specially hard.

Optimism about export prospects is also weakening. mainly because of price levels. But a considerable number of companies have reported that the decline in export orders has been easing in recent months, usually, however, at the expense of profits.

Details. Page 6 Editorial Comment, Page 16 Men and Matters. Page 16

Weather

UK TODAY

CLOUDY with some rain in most of England and South Wales. Elsewhere mainly dry with sunny periods.

London, S.E., Cent. S., E., S.W. Cent. N., N.E. England, East Anglia, Midlands, South Wales, Channel Is.

Rather cloudy, rain at times. Max. 12C (54F).

Rest of England, Scotland, I. o. Man, Orkney, Shetland Mainly dry, sunny periods Max. 13C (55F). Outlook: Continuing dry in

North, showery in South.

WORLDWIDE

*C *Fi
F 15 61 L. Plms.
C 18 64 Lisbon
C 9 48 Locarno
S 20 68 London
S 36 97 Luxmbg.
C 16 65 Madnd
S 21 70 Majorea
F 14 57 Malaga
C 13 55 Malaga
C 13 55 Malaga 46 Perth 54 Reykjyk 66 Rhodes 55 Rio J'o 57 Rome 54 Salzbrg 55; Tangier 57: Tel Aviv 65' Tanenia 48: Tokyo 62' Tarento

12 54 Vienna 14 57: Warsaw

Coupon now or quietly lift the phone and scream for help!

THE LEX COLUMN

Tarmac smooths the bumps

Not even reports of aerial logfighting over the Gulf could deflect bond markets from their ipward path yesterday. Against the background of a further substantial fall in Eurodollar rates. dollar Eurobonds gained a point a point and gilt-edged returned to near the highest levels reached last week. The Governmen t Broker was supplying assorted stock to the market, which is now bracing itself for

new tap on Friday. On the foreign exchanges the dollar managed to rally a little, helped by the month-end covering of bear positions, and sterling slipped back from 73.7 to 73.2 on its trade-weighted index.

Tarmac

Tarmac's rehabilitation has proceded more quickly than the company itself could have thoungt possible a year ago, when large losses overseas and a management shake-up severely tested the stock market's confidence in the shares. For 1979 the company has turned in pretax profits of £38.0m, against £26.5m, with trading margins (ignority the contracting side) up from 7 to 9.1 per cent. This reflects good volume and prices in the quarry products divsion, which still provides half Tarmac's earnings, a strong performance in private housebuild-ing, and a jump in building material profits from £4.3m to £10m, helped by loss elimination in France and excellent mar-

gins on bitumen refining.

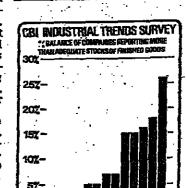
Although the international contracting business is making modest profits again, UK contracting has slipped badly. Tar-mac is responding to the overcapacity in the industry and the unwillingness of local authorities to pay their bills on time by reducing volume by about a fifth and withdrawing from public sector housing altogether.

Tarmac's balance sheet is strong: net debt at the end of 1979 was only 28 per cent of equity, and a £12m off-balance-she-t guarantee has dis-appeared. Even with some rise in debt and interest costs this year, the group should make turn in housing is unexpectedly Provided Tarmac can steep. resist the temptation of further high exposure in the Middle East, the shares do not look dear at 239p despite their recent good run. The yield is 81 per

Thorn EMI

cent and the p/e 4.3.

Yesterday's that Thorn EMI is to withdraw to issue warrants for 20m shares traditional gas guzzlers.



from the medical scanner market underlines the costs of sorting out EMI and makes market scepticism at the time of the takeover by Thorn look fully justified. The greater part of the proposed £16m payment by General Electric of the U.S. represents settlement of the patent litigation, with the remainder going essentially to sheet consequences of si purchase the sales and servicing division of the established scanners. Thorn EMI still has to dispose of or close down the operations connected with the ewly-developed machines and this could take another year.

The group intends to make the. full adjustment in the current year's balance sheet, and even after the £16m payment, could see provisions and asset write downs approaching £30m or worst-case assumptions. So the proportion of debt to equity, which rose from 10 per cent to 30 per cent—plus when Thorn took over EMI, will now stand

at about 50 per cent. And all this assumes that the GE deal

does not run into anti-trust problems. The share price rose

First Pennsylvania

6p yesterday to 298p.

First Pennsylvania, America s £42m pre-tax unless the down- 23rd largest bank, is, the first ncum of the slump in the U.S. bond markets, and the rescue package provided by the Federal Deposit Insurance Corporation and a group of banks interest rates and increase involves heavy dilution for production in small cars by common stockholders. In return ing sales, there should be a s for a \$500m injection of sub- stantial recovery in 1981: ordinated debt (backed up by even looking a long way abo \$1bn of private bank credit lines it is not going to be possi and the Fed discount windows for Ford to return to the ke

at \$3 apiece, potentially n than doubling the 15.6m share Index rose 4.6 to 436.7 previously outstanding. From 1979 high of \$15 the share pro has tumpled to around \$5½.

Although the bank has

some years been struggling wi an above average level of no accruing and reduced ra loans, its main problems ha centred around the policy building up a large portfolio often quite long term hon Not only has this portfolio c more and more to finance fre short term borrowings interest rates have risen, leadi to the slump in pre-tax income \$38m to \$4m last ye (and a loss of \$7m in the fi quarter of 1980), but capi losses have mounted.

At the end of 1978 Fi Pennsylvania was carry \$102m of unrealised losses. the end of last year this sh fall of market against be value on a portfolio of alm \$1.6bn had climbed to \$19: representing a little over t of stockholders' equity. Si then dollar bonds have slum much further, before the repartial recovery. And I Pennsylvania has been loc in unable to face the bala Now it is being required to load bonds sufficient to rea \$75m of those losses.

The affair is impressive. dence of the Fed's readines move in to support trout banks. But it underlines concern about the damage di by the bond market colla throughout the U.S. finance

Ford U.S.

domestic operations in I the 17/2 for generally jected for the full year. rather optimistic and the is likely to end up closes \$1.3bn. With the foreign sidiaries, mainly in the UK West Germany chipping \$800m or so, however, the way wide deficit should be held

With its overseas interand sound balance sheet, Fr is no Chrysler, and with los announcement First Pennsylvania has agreed of profits it once made



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